

The China Lobby—II

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PERIODICAL
READING ROOM

The Reporter

April 29, 1952

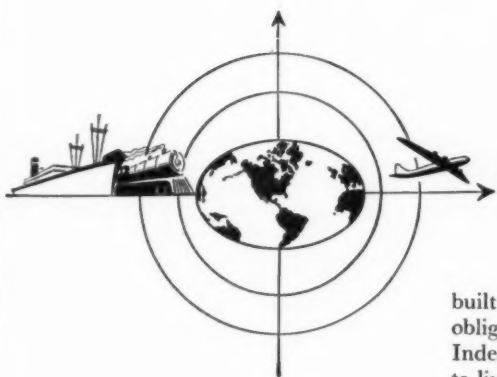
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Formosa: The Army-in-Exile





THE REPORTER'S NOTES

500,000

Several weeks ago we read an editorial in *Life* that has kept us puzzled ever since. This piece, which is entitled "Coexistence With Russia," is, almost to the end, a gentle criticism of Ambassador George Kennan's theories on the subject. Kennan thinks that peaceful coexistence will be possible if and when Russia frees all its satellites, including the Baltic states, gives up imperialist expansion, and resumes normal, tolerant relations with other states and peoples. This presupposes the mellowing but not the elimination of the present Russian system.

Life suggests its terms for coexistence, and it calls them "moderate." Then it adds: "That [Kennan's] kind of 'moderation' is a betrayal, first, of the principle that freedom under law is everybody's right and America's mission. It is a betrayal, second, of those 500,000 exiles from the Soviet Union whose hatred of Stalin reflects the suffering of the Russian people."

That figure, 500,000, strikes a familiar chord. Franco's army, it is said, is 500,000 strong; and on Formosa Chiang has 500,000 soldiers, more or less. "Half a million" apparently has become a standard figure for vague, uncheckable bigness.

These two half millions of men have bothered us for a long time, for whatever they may be worth as fighters, they certainly have succeeded in cramping our diplomacy. Our government's concern with Chiang's army prevents the setting up of an American-sponsored defense system among the free nations of the Far East; and some of our western allies would rather quit than have Franco's troops in their midst.

Now we cannot hope to reach any agreement with Russia after we have

built up our strength, because of our obligation to the new half a million. Indeed, *Life* says, it is a "betrayal" not to live up to the obligation to establish the principle of "freedom under law" in Russia and presumably all over the world, since it "is everybody's right and America's mission."

This sounds like a big order. In at least one of the Atlantic alliance countries, Portugal, there is precious little freedom under law. If we start looking at the list of the United Nations, we see Afghanistan, then Argentina. . . .

LIFE's own "moderate" terms for coexistence are "liberation" and "freedom under law." Kennan's terms are a "betrayal," which certainly implies that Kennan, the advocate of "betrayal," is at least potentially a traitor.

IN OUR November 13 issue, we sharply criticized Kennan's book, *American Diplomacy*. We thought it a disappointing, intemperate piece of writing. We had qualms about his "realism." He was probably incensed at the irresponsible vagueness of those people who assign our country all sorts of global missions, like the establishment, throughout the world, of freedom under law. His realism came from too narrow an application of the sound rule that a nation's aims must not outstrip its means.

But we have never doubted that he is an exceptionally competent man, particularly on Russian matters—a man who has set himself exacting principles and lives up to them. As may happen to anybody who is in the business of writing, he has produced a book that, in our opinion, is not as good as could be expected. We scarcely need to add that our opinion may be quite wrong.

There is a point, however, on which we don't think we are wrong: Kennan's name has gotten on the list of the bitterest critics of our foreign policy. He

has started receiving the Jessup-Acheson treatment, and when he is at work in Moscow his back will make a pet target for a certain breed of snipers.

Ike Gets on the List

In his masterful report to the NATO countries on April 1, General Eisenhower concludes: "Visible and within grasp we have the capability of building such military, economic, and moral strength as the Communist world would never dare to challenge. When that point is reached, the Iron Curtain rulers may finally be willing to participate seriously in disarmament negotiations."

If that doesn't mean containment and coexistence, then we don't know what does. In spite of the fact that Ike's candidacy has already received *Life's* support, he had better watch out too.

Bulk Buying

On Friday, April 4, a man who was described as "of Asiatic appearance" approached a Washington newsdealer at the corner of Vermont Avenue and H Street, N.W., and offered to buy all copies of *The Reporter's* last issue at fifty cents apiece. The eager buyer then said he would give a \$500 check for a thousand copies. The newsdealer said no, thanks, and the man drove away in a large black car with diplomatic license plates.

This is just one more example of how the Chinese Nationalists spend their American money to buy things on a big scale and well above the market price.

They might be interested in this issue, too, and we are quite ready to keep the presses working overtime to meet the demand of the public and of the Chinese bulk buyers. At long last, some American money in Chinese hands may go to decent people—like the weather-beaten newsdealers and the men who work at the printing plant. This proves what honest journalism can do.

CORRESPONDENCE

'SERVICE TO THE NATION'

To the Editor: I have read the first installment of the China Lobby, and read it with enthusiasm. It is a magnificent job. You got far more than I thought you could. Congratulations and thanks; and you may feel satisfied with yourself. It is as good a service to the nation as any periodical has done in these years. Good for you.

NATHANIEL PEPPER
New York City

'SHABBY PROPAGANDA'

To the Editor: Why do you lend your rag to such shabby propaganda? Charitably, one can only hope that you have been duped, in which case you should not be in the publishing business. The majority of intelligent Americans have hated communism without deviation since 1917. Neither Roosevelt, Truman, Lattimore or Dean [Acheson] could, or can, ram it down their throats, sugar-coated or otherwise. Smart-aleck reporters who attempt to do so are wasting their time.

SUBSCRIBER

BOUQUET FROM BOMBAY

To the Editor: A lucid and balanced presentation of world affairs and particularly realistic articles about India in *The Reporter* help me believe that they are supposed to have been designed for the essential improvement of India, and so, reading your magazine is what I wish for and I must thank you because such a desire has emerged after my mind has been impressed by the rare qualities with which *The Reporter* is blessed.

BHAGIRATH MEHTA
Bombay, India

IKE AND INDEPENDENTS

To the Editor: I should like to make the following comments on the editorial "Are There Such Men?" in your April 1 issue:

Eisenhower, by the evidence of his own statements recently released in various forms, is no liberal, but an old-fashioned, upstanding conservative. Therefore, why should independents support him? (Assuming, as the editorial apparently does, that the majority of independents are liberal rather than conservative—which the politicians in general, and Bob Taft in particular, seem to think is true.)

Eisenhower, in a letter to a friend released last week, indicated that he did not intend to be an independent in the sense of not working with the team—i.e., the organization, which is the old-line, conservative heart of the G.O.P. The letter was released specifically to reassure the organization.

Therefore, again, why should independents support him?

If Eisenhower runs as the Republican nominee and wins, he will surely carry into office on his coattails some of the very elements in the party *The Reporter* is most strongly opposed to—as indicated in its article "Nine G.O.P. Senate Freshmen."

A Republican victory (which is presumably most likely with Eisenhower as the candidate) would restore to chairmanships in the House and Senate such undesirables (by the editorial's lights) as Bridges, Wiley, McCarthy, Taber, Short, and Hoffman. Therefore, again, why should independents support Eisenhower?

If Eisenhower is a Tory, there is no reason for liberals to work for his election. If he is a liberal, he will be a prisoner of his own Neanderthal colleagues in Congress, which is hardly much improvement over having Truman in the same position. I am all in favor of independents' trying to nominate and elect liberals regardless of party; but hitching their wagon to Eisenhower's star seems to me the best possible way to defeat their own ends.

JOHN ROGERS
Canton, New York

IKE AND EUROPE

To the Editor: It is one thing to argue the entirely plausible proposition that western Europe likes Ike. It is another thing to support this proposition with generalizations which might be understandable coming from an American journalist whose only impressions of Europe were gained in the past five years, but which sound strange coming from a "European scholar."

I quote Louis Duval in the March 18 *Reporter*: "By and large, the European politician is a man who has tried his hand at various things and, not having succeeded too well, takes a chance on politics." (Whose image of the European politician is that?)

"For the Europeans . . . Eisenhower was the man—the only man who won the war." (Is that really the opinion of the average Britisher or the average Frenchman?)

"... in Europe there is no glamour whatsoever attached to the position of a university president, or rector." (I would have let that pass if the writer had said or meant "American university president." Nor does M. Duval's next statement make sense. Past and present distinguished politicians have been chancellors of British universities.)

Even if all due allowance is made for the amazingly strong American influence on

present western European opinions, memories, values, and the way people talk, such statements must jar anybody who knows western Europe well and spoil the otherwise basically sound arguments which this article and your excellent journal in general present.

GERHARD W. BITZ
New Haven, Connecticut

THE SEAWAY

To the Editor: If Canada is "to go it alone" on the St. Lawrence Seaway project, can it be justified for any other reason than that it has a prior and dominant national political interest in it? Does either of the nations immediately concerned have any such interest that is not far transcended by other compellingly peremptory considerations?

The year after the 1763 Treaty of Paris, Sir William Johnson assembled the Indian warriors of the Niagara region, obtained from them title for the British King to a four-mile strip the entire length of the Niagara River, and thus wrote into the book of history the Niagara Frontier.

Five quarter-centuries later, there began to drive what Lowell called "the roaring loom of Time itself." Niagara had been harnessed. As late as 1890, George Westinghouse advised that power could be transmitted from Niagara by Buffalo, not by electricity, but only by compressed air! When the great power installations were made at Niagara, there was far less knowledge in books about electricity than there is today about atomic energy in a thousand reports and countless high-school texts.

Now on the threshold of the Atomic Age, is there not to emerge from Hudson's Bay another frontier, to which Sir William Johnson's Niagara Frontier, and the seaway to which it gave birth, become a flank? If the North American continent is to assure its habitability through ten thousand years, must not the waters of Hudson's Bay, and the icecap beyond, be tapped on an undreamed-of scale?

Nor can the immediate advantages of the seaway and its ultimate possibilities and necessities be grasped except in the perspective of continental defense and national resources. If Mr. O'Hearn's article (*The Reporter*, March 18) makes anything clear, it is that there never has been a dependable, disinterested, all-comprehensive survey of the seaway project, to say nothing of the North American continent and its defense and re-orientation for the Atomic Age.

LEWIS E. MYERS
Chicago

The Reporter

A FORTNIGHTLY OF FACTS AND IDEAS

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This is the final installment of our long article on the China Lobby. As we said at the start, it is far from the final word on the Lobby. We have only scratched the surface, but even so we think we have dug up enough to warrant a real investigation—not by reporters who can only ask questions and wheedle answers but by government officials with the power of subpoena.

If the Nationalist Chinese Embassy disputes any of our facts, we would be glad to do what we have done recently in similar cases. Not long ago we ran a series of articles which displeased the Generalissimo who runs the Dominican Republic, and later published the reactions of his agents. We are not fond of the four extant Generalissimos—Trujillo, Franco, Stalin, and Chiang—but we are willing to do that much for each of them.

This installment is the work of several hands—Max Ascoli and Philip Horton, Editor and Assistant Editor of *The Reporter*, and Charles Wertenbaker, author of the first installment and former Foreign Editor of *Time*.

Theodore H. White is a European correspondent for this magazine. . . . **Vance Johnson** is Washington correspondent for the *San Francisco Chronicle*. . . . **Bernard S. Redmont** is on the staff of the *Continental Daily Mail*. . . . **Arthur Schlesinger, Jr.**, a historian on the faculty of Harvard University, wrote *The Age of Jackson*. . . . Cover and drawing inside back cover by **Dong Kingman**; inside front cover by **John R. McDermott**.

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CHEN CHIH-MAI, Minister Counselor of the Chinese Embassy—"the smiling Counselor," some of whose cables to Chiang are quoted in this issue.

CAST OF CHARACTERS

A list of important Chinese names appearing in this issue

CHEN LI-FU, philosopher and promoter of the "New Life" movement, who with his brother, the late Chen Kua-fu, led the "CC Clique," which controlled the Nationalist government during 1948-1949; now lives in Hollis, L. I.; subsidizes and controls a large part of the Chinese-American press.
Colonel V. S. HSIANG, executive officer to General P. T. Mow.
HU SHIH, Ambassador to the United States, 1938-1942; Chiang's trusted informant on U. S. developments.
V. K. WELLINGTON KOO, Ambassador to the United States since 1946.
DAVID KUNG, elder son of H. H. Kung; financier for Kung family.
H. H. KUNG, brother-in-law and political rival of T. V. Soong; served as Minister of Finance and Vice-President of the Executive Yuan (council) from 1938 to 1945; now lives in Riverdale, New York City.
LOUIS KUNG, younger son of H. H. Kung; courier and paymaster of the China Lobby; "the ubiquitous Major" of the first installment.
LI TSUNG-JEN, Acting President from January, 1949, to March, 1950, during Chiang's "retirement"; has since broken with Chiang.

W. K. LI, representative to U.N. Far Eastern Commission.
LIU CHIEH, ambassador to Canada.
General P. T. MOW, deposed deputy chief of staff of Chinese Air Force purchasing commission in Washington; has charged Formosa régime with financial irregularities.
General PETER T. K. PEE, military attaché at Chinese Embassy, but disburses funds independently.
T. V. SOONG, brother-in-law of Chiang and H. H. Kung; Premier of China from 1944 to 1947; laid groundwork for the present China Lobby in 1940; now lives in Riverdale, N.Y.C.
General SUN LI-JEN, commander of Nationalist ground forces on Formosa.
T. F. TSIANG, chief of the Chinese U.N. delegation since 1947; chief disbursing agent for official Nationalist funds here.
WANG SHIH-CHIEH, Chiang's chief secretary.
JAMES YU, ambassador to Italy.
K. H. YU, deputy delegate to the International Bank; Chiang's agent in matters of high finance.
Archbishop PAUL YU-PIN, adviser to Chiang; frequent visitor to U.S.

THE CHINA LOBBY—PART I: a summary

In the April 15 issue of *The Reporter*, the career of the China Lobby was followed from the early Lend-Lease period to the days when Chiang had abandoned both the mainland and his Presidency.

Roosevelt's dream of China as a member of the postwar Big Four was viewed with great skepticism by, among others, Winston Churchill, but was accepted by the U.S. public. From 1940 on, China's cause was promoted among the New Dealers by a team led on the economic side by T. V. Soong, ex-Finance Minister and Madame Chiang's brother, and on the intellectual side by Ludwig Rajchman, Polish scientist and dabbler in international politics. Into their China Defense Supplies in 1941 Soong and Rajchman gathered such White House friends as Thomas Corcoran and among their acquaintances were Harry Hopkins, Henry Morgenthau, and practically anybody who was anybody in Washington. Out of the Capitol Hill hopper came, in February, 1942, a \$500-million credit for China.

Hints of corruption and incompetence in the Chinese government had been cropping up since 1934, but U.S. illusions still survived even after General Joseph Stilwell's feud with Chiang became publicly known in Washington in late 1942 and early 1943.

U.S. government money continued to flow into China—and to flow, by devious means, back to the United States. The \$500-million U.S. credit of 1942 had been earmarked for stabilizing China's currency, but much of it served to make the wealthiest Chinese families

wealthier. Notable in this regard were the Kungs and Soongs. In 1946 UNRRA funds helped General Claire Chennault and Whiting Willauer pick up their bargain-counter airline—Civil Air Transport.

In the summer of 1945, the attacks began on all of those who had, for various reasons and with various justifications, attacked Chiang. In June of that year the *Amerasia* case set off the first charges of skulduggery in the State Department. In November Ambassador Patrick Hurley roared back from China charging "betrayal." "Yalta" was becoming a term of opprobrium—though the Chinese provisions of the agreement had been endorsed by both Henry Luce and Alfred Kohlberg, writing in the *China Monthly*. Kohlberg's voice grew shriller as he launched a full-scale attack on the Institute of Pacific Relations and began his magazine, *Plain Talk*, which featured in its first issue a hopped-up version of the *Amerasia* case. A more dedicated and perhaps more useful American friend of Chiang was Congressman Walter Judd of Minnesota, a former medical missionary. All these men faced growing U.S. disillusionment with Chiang and growing indifference to the fate of China.

Worse was to come for Chiang's apologists. As 1947 began, General Marshall conceded the failure of his truce mission and China's civil war began in earnest. The Communists, outmanned and outgunned, fought a war of maneuver while Chiang's generals persisted in trying to fight a war of position. In the sum-

mer of 1947 William C. Bullitt and General Albert Wedemeyer both reported that the situation could be saved only by vastly increased U.S. aid and drastic reforms by Chiang. The Administration proposed a \$570-million aid program—subsequently cut to \$400 million by the Eightieth Congress. As the Nationalist armies retreated, lobbying activities in the United States grew bolder. William J. Goodwin, former Christian Frontier, was hired as a paid lobbyist. Chen Chih-mai, Minister Counselor of the Embassy, tried to coordinate the various outlets.

The Republican defeat of 1948 hit the Nationalists at practically the same time that their armies were being swept from North China. A remarkable series of Chinese pleas and concessions to the United States was followed, in January, 1949, by Chiang's retirement as President.

But there was always another U.S. election, and in 1950 the Chinese apparently decided to get down to, if not the grassroots level, at least the greenback level. One instrumentality was a public-relations firm named Allied Syndicates, headed by David B. Charnay, which dispatched one of its top men for an all-expenses-paid intervention in a California Senatorial campaign. One instrument was Louis Kung, who forecast the outcome of 1950's U.S. Senate contests accurately within one seat, who was a familiar figure around the Charnay offices at the time, and who was reported to have had more than a forecaster's role in some of the key contests.

(The April 15 issue, containing Part I, may be obtained for twenty-five cents from *The Reporter*, 220 East 42nd St., New York 17, N. Y.)

The China Lobby—Part II

VI—The Inner Circle

Last battleground—U.S. politics; Madame Chiang plans strategy; tangled lines of authority; private codes to the retired chieftain; mobile money; Chen Chih-mai's million; an accountant's nightmare

PHILIP HORTON

IN THE spring and summer of 1949, with the Chinese Communists swarming over the mainland, some of the most eminent of the dispossessed Nationalists set off for the United States. Here, too, they had recently suffered a major setback—in the Presidential election of 1948. But America was now the only place where they could find fresh hope for their nearly lost cause; as their army was driven to the China Sea and thence to Formosa, the only battlefield where they stood a chance of operating effectively was U.S. politics. They still had powerful friends in both parties, though they felt closer to the G.O.P. To spearhead the new campaign, the Nationalists counted on a few high Chinese officials who had spent the war years in Washington and knew the ropes.

Yet the prospect was dismal. One by one, the big cities and ports—Nanking, Hankow, Shanghai, Tsingtao—were falling to the enemy. The State Department, which had appointed a special committee to review U. S. policy in China, was about to publish its White Paper, and it was an open secret that the White Paper would slam the door on further aid to the Nationalists. For Chiang's agents in the United States, the darkest event of all had come at the beginning of that inauspicious year. On January 21, Chiang had stepped down from the Presidency of China and retired to

Fenghwa, where he said he would devote his time to "sweeping the tombs of my ancestors."

Madame General

Madame Chiang, who had arrived in Washington on December 1, 1948, took on the assignment of reorganizing Chiang's forces in this country. Until she left, on January 8, 1950, to rejoin her husband on Formosa, her task was to marshal the most skillful Chinese in the United States and to consolidate all the American support she could.

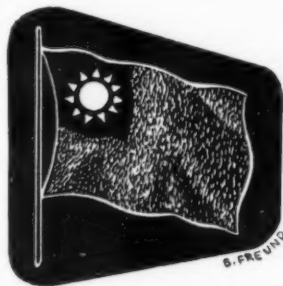
Much of Madame Chiang's work was done in the pleasant Riverdale section of the Bronx, New York City. There in the home of her brother-in-law, H. H. Kung, she held weekly strategy meetings with various groups of Chinese who, by virtue of their past or present official positions or their private wealth, could accomplish most in

the bumpy arena of American politics. The men who attended these sessions fell into two main groups. One, to which H. H. Kung and her brother, T. V. Soong, belonged, operated in and from New York and included men of means rather than government officials; the other, which worked in Washington, was composed of Chiang's most trusted chiefs of mission.

Loose Groups

There was never much real co-operation between or even within the groups. To curry favor with Chiang, each man tried to outdo the others, and Chiang himself, as he always has, encouraged lively competition among his subordinates, even if it meant ignoring the formal chain of command. Operations proposed through one channel would be approved and put into effect through another. As long as Madame Chiang was here, she, of course, handled most of the communications with her husband. Many of the agents had individual codes for reporting to the Generalissimo. But despite their differences, jealousies, and intrigues, the men who met with Madame Chiang were united on their large strategy: to mesh the Nationalist cause with the interests of the most effective among the power-hungry American politicians.

This was no ordinary group of political refugees. The Formosa régime was



something more than a standard twentieth-century government-in-exile and something a good deal less than a real national government. It had found shelter on the island of Formosa, but it didn't want and couldn't hope to stay there forever. It had to go back to China or out of existence. The Kuomintang was eager to resume the fight, and its only hope was U.S. assistance on a gigantic scale.

Slowly, out of the Riverdale meetings emerged the line of action that the rebuilt China Lobby would follow. According to former Nationalist officials, it has never been a hard-and-fast program. But, by and large, it has kept the same general direction through the years since the fateful summer of 1949.

Weaving the Web

One top-priority objective was the removal of Dean Acheson as Secretary of State. Chiang's agents could not tell their master that they had been mistaken when they had advised him not to worry because unlimited military aid was coming. Somebody had to be the scapegoat. So they agreed on Acheson, who, they said, was besieged by Communists and fellow travelers in and out of the State Department and who was under the spell of Chiang's "arch-enemy," General George Marshall.

Probably none of these Chinese could have dreamed how wildly successful their piece of self-justification, expressly tailored for Chiang, would later on be with the American public. But at every opportunity, talking among

themselves and with American friends, they hopefully spread word that the Administration was to blame for the Communist conquest of China.

Peace, for them, was unendurable and unthinkable; at all costs, America too had to be made to see that a third world war was inevitable.

The Cast of Characters

The Washington group of Chinese who attended Madame Chiang's briefings usually included K. H. Yu, delegate to the International Bank; W. K. Li, representative to the Far Eastern Commission; General Peter T. K. Pee, military attaché of the Embassy; General P. T. Mow, head of the procurement office of the Chinese Air Force, who has since gotten into difficulties with the Formosa government; and Chen Chih-mai, Minister Counselor of the Embassy.

The New York group, by all odds the more colorful, had on its roster several of the most experienced and most mutually distrustful specialists in the lobbying business. This time they were to operate less flamboyantly than they had before. First and foremost came those ancient antagonists T. V. Soong, who returned to the United States in June, 1949, and H. H. Kung. Then there were Chen Li-fu, leader of the CC Clique (which had organized "thought control," the secret police, and a network of banks and industries), who had returned to this country by 1950, and Dr. T. F. Tsiang, the U.N. delegate.

Of the New York group, according to an ex-Nationalist official, only Dr. Tsiang received and spent Nationalist government funds. The others had to draw upon their own vast resources as circumstances and opportunity required. Chen Li-fu, for instance, reportedly pledged two million dollars from the funds of the CC Clique, some of which, incidentally, went and still goes to subsidize most of the Nationalist Chinese newspapers in the United States. His pet project has always been to blacken the character and motives of General Marshall, who back in 1946 had lashed out at the CC Clique.

H. H. Kung kept in touch with a wide range of Chiang enthusiasts, from Henry Luce to Senator Styles Bridges of New Hampshire and Alfred Kohlberg, the New York importer. His son Louis, the "ubiquitous Major" of the preceding installment, was recruited by Madame Chiang as a courier, paymaster, and trouble shooter—a man-about-America.

As for T. V. Soong, his return to the United States was like a homecoming. He quickly set about making new friends and revisiting old ones—among them his wartime associates Tommy Corcoran, General Claire Chennault, and Whiting Willauer, Chennault's partner in the profitable China Air Transport.

One sign of the changing times was Soong's approach to Alfred Kohlberg. It was something of a comedown for the man who had once asserted "I am





China" to seek out the vociferous importer of Chinese embroidery. This was no Ludwig Rajchman, the political expediter and philosopher-at-large who had helped Soong set up the wartime China Lobby. But 1949 was a far cry from 1940, and Mr. Kohlberg looked promising. Through his China Policy Association and his magazine *Plain Talk* (later the *Freeman*), through his friends and fellow enthusiasts in Congress—Senators Bridges, Mundt, and Knowland, Representatives Judd and Nixon (the latter now a Senator)—through his network of ex-Communists, ex-FBI men, and fanatics of the extreme Right, Alfred Kohlberg was rapidly becoming a principal peddler of pro-Nationalist propaganda. Above all, he was spreading, even though to a limited audience, his uninhibited version of the State Department "conspiracy." And so in the winter of 1949-1950, not long before Senator McCarthy's first barrage, T. V. Soong sought out Mr. Kohlberg.

The hard core of the New York group is joined from time to time by several other Chinese, such as James Yu, once Consul-General in New York and now ambassador to Italy, a lavish entertainer and distributor of presents; Liu Chieh, ambassador to Canada, who like Mr. Yu manages to spend a lot of time in the United States; Archbishop Paul Yu-pin, honorary chairman of the former *China Monthly*; and former Ambassador to the United States Hu Shih, a philosopher and historian with a reputation for political savvy.

Money on the Move

Ever since 1949, the official financing of the Lobby has centered largely in

Washington, where Ambassador Wellington Koo presides uncomfortably and with little real power over the same group of men who used to attend Madame Chiang's weekly meetings in Riverdale.

The first lump sum in support of the Lobby's work, according to former Nationalist officials then in a position to know, did not follow the customary route. In the summer of that year \$800,000 was transferred from Wang Shih-chieh, Chiang's chief secretary on Formosa, to Dr. Tsiang openly via the Bank of China in New York. This came to the attention of various Nationalist government employees, who at first believed it was intended to cover their salary payments, which as usual were two or three months in arrears. That, as it happens, was not what the money was intended for.

Before Madame Chiang left the United States early in 1950, she arranged for a fund of more than a million dollars, then under control of the Chinese National Resources Commission, to be put at the disposal of Counselor of Embassy Chen Chih-mai. General Pee, the military attaché, who reports directly to Chiang Kai-shek, also draws on large funds independently of the Embassy.

An Accountant's Nightmare

The man most familiar with the uses of "official" Chinese money in this country and abroad is probably K. H. Yu, the deputy delegate to the International Bank. Mr. Yu maintains three accounts. He has an official account, which provides for his office and living expenses; a private account, which provides for lobbying and related expenses; and an official co-signature account, which gives him control, where desirable, over disbursements of other offices. He also maintains control of disbursements from numerous private accounts containing government funds that are frequently used for lobbying activities.

Mr. Yu would seem to be one of Chiang's most trusted and powerful agents in this country. He is a relative of the Generalissimo and also one of his personal secretaries. He receives money and directions from Chiang independently and frequently without the knowledge of Ambassador Koo or anyone else at the Embassy.

The ways of Lobby finance, like the finances of the régime itself, would drive any American C.P.A. to distraction. No one, including the Nationalist government, knows precisely what its assets amount to at home or abroad.

POLITICS IS POLITICS, BUT BUSINESS IS BUSINESS

The National Resources Commission, according to the China Handbook, is concerned with the industrialization of Nationalist China. Sometimes it seems to worry about other things. It figured, for instance, in the case of the United Tanker Corporation. During the recent Senate hearings, it was disclosed that a Chinese outfit called the China Trading and Industrial Development Company had put \$2.5 million into United Tanker, while the American interests supplied \$6 (this is not a misprint). Most of the money came from the National Resources Commission.

United Tanker started off by chartering vessels to Soviet agencies for oil shipments. According to Senate testimony, the Chinese officials were present when these charters were approved. During the Korean War, the C.T.I.D. itself has chartered ships to handle twenty-six cargoes to Red China.

According to a former Nationalist official, the C.T.I.D. was first set up by the National Resources Commission on direct orders from Formosa, and with the help of a rich Chinese merchant in the United States, one D. N. Tjian, who put up a million dollars, which he has recouped with a handsome profit. The *Congressional Quarterly* quotes Huston H. Wasson, counsel for the C.T.I.D., as admitting that the firm is a "subsidiary" of the Nationalist government.

Thus the same Nationalist government agency that was supplying funds to help Chen Chih-mai persuade some Americans to attack other Americans for the slightest contact with Communist elements was itself carrying on a very profitable trade with Red China.

In the incessant movement of Nationalist money, official and private accounts have become intertwined. In part, the reason is perfectly understandable. In 1949 a good deal of Nationalist money was put in private and numbered accounts for fear that the United States would recognize Mao Tse-tung's Communist government and freeze Nationalist assets over here. But this was not the only explanation. Of the enormous sums of government money that Chiang has parceled out to relatives and friends in this country and in Europe and South America since 1949, a substantial amount is known to have been allocated to the molding of American opinion.

On one occasion a Nationalist official begged this reporter to help him devise some means of safely destroying several million dollars of Nationalist funds. The money had been deposited in his personal account in the United States by order of the Formosa government at the time when it was feared the United States might recognize the Communist régime. Later the official broke with the Formosa government. "I would rather die than return that money to Chiang Kai-shek," he declared. Would it not be possible, he asked, to invite U.S. Treasury officials to audit the account, certify that the millions held in trust were still intact, and then witness their destruction?

ONE THING is certain. Money is the most important and fascinating of the many fascinating characters in the China Lobby—a character capable of endless disguises. It is everywhere. In a massive stream it flowed from the United States to China. It has returned in large amounts to the United States via numberless channels to create more millions, more propaganda, more aid, more private corruption, and more public confusion.

The texts and translations of the cables quoted in these pages were furnished *The Reporter* by a former Nationalist official who is ready to prove their authenticity to the proper U.S. government authorities. The reader should remember that the reports on Americans were made by Chinese officials, prone perhaps to exaggerate their own achievements.

—The Editors

VII—The Smiling Counselor

A record of the activities—in finance, persuasion, public relations, and private diplomacy—of Chen Chih-mai



PROBABLY not even the U.S. government could trace the expenditure of the Lobby's money in the United States. But this magazine has been able to get the details of certain operations and frustrated operations in which the Chinese have been ready to put up anything from the price of a few cocktails to five million dollars. A case study of how Chinese money and persuasion are used is provided by the Washington career of Chen Chih-mai, the smiling Counselor.

Chen Chih-mai, who has been with the Chinese Embassy since 1944, knows a good many people in Washington. He had taken a Ph.D. at Columbia and taught at the National Tsing Hua University from 1933 to 1937. In 1938 he became Counselor to the Executive Yuan, a position he held for six years before coming to Washington. His connections with the Nationalist government, and particularly with the CC Clique, give him power and responsibility considerably beyond his rank. It may be recalled that when William J. Goodwin and Ambassador Koo first discussed Mr. Goodwin's lobbying job, the ambassador had Mr. Chen interview Mr. Goodwin (*The Reporter*, April 15, page 17). Mr. Goodwin's fee for the first year—\$30,000—was paid by the Chinese National Resources Commission.

In a cable of June 22, 1949, Chen Chih-mai reported to Chiang:

"Goodwin has commenced with his work already, which he pushes ahead feverishly. The leaders of both parties . . . are all supporting him . . ."

On August 1, 1949, Chen cabled again:

"Goodwin . . . [is] working in an effort to disillusion the leaders of the Democratic

Party about the Chinese Communists. We are being very careful to avoid a partisan conflict and emotional attacks."

Pipelines of Influence

At one of Mr. Goodwin's dinners for Congressmen, a high Embassy official briefed a group of Senators on the reasons why W. Walton Butterworth, former U.S. Counselor of Embassy in Nanking, should not be confirmed as Assistant Secretary of State. Mr. Goodwin (who is now acting as one of Senator Taft's campaign strategists in New York) gave another of his dinners at the Mayflower just after the White Paper was published, in August, 1949, at which Chen Chih-mai offered a vehement and detailed criticism of the White Paper. His talk provided ammunition for a three-day barrage by Senators Bridges, Knowland, Wherry, and McCarran.

Chen Chih-mai was greatly helped in his work by the frequent receipt of "information" on Americans from the Chinese secret police. Senator McCarthy has admitted using information from secret police, though he hasn't specified of what nationality, and Mr. Goodwin has stated that he "helped materially" to lay the groundwork for McCarthy's charges. Later the Senator was briefed by Alfred Kohlberg, who also had access to Chinese files. Mr. Chen also bought derogatory information on Americans from American sources; once, for example, he paid \$300 for a report on Michael Lee, a Far Eastern expert in the Department of Commerce who was forced to resign in the fall of 1950 largely as a result of unproven charges that he had withheld aviation gas from Chiang.

Chen Chih-mai oversees the operations of the Chinese News Service headquarters in New York, to whose payroll Mr. Goodwin was switched in

July, 1949. In the same month, the Chinese News Service employed a man named Norman Paige as a "press and radio consultant" at a reported salary of \$30,000 a year. Mr. Paige, who changed his name from James Black de Puy for writing purposes, is a tall, heavy-set man of forty-five, with a thick black mustache. He had been a radio correspondent in the Far East, and after the war had become one-fifth owner of the Philippines Broadcasting Corporation until 1949, when he sold out and went to work for the Chinese. His regular duties have been to call on and win over publishers, editors, and radio broadcasters. He also gives cocktail parties and makes speeches.

The following excerpts from his confidential report to the Chinese News Service of January 29, 1952, show how Mr. Paige operates:

"American public opinion, so long swayed by the successful red smear campaign, is today far over to the realization that Generalissimo Chiang was sold down the river. People are beginning to realize that the position of the Nationalist government is today stronger than at any time since Marshall went to China and it is increasing daily. My campaign of realistic and honest approach, particularly with the press, is finding its right reward. . . .

"The Mow-Hsiang case [defections] continues to hold amazingly little interest to the American newspapers and consequently to the mass of people. It received relatively little copy space over the nation at the time it was most prominently played in New York and Washington; it came at a time when the wires and columns were loaded with domestic scandals; silence by the State Department or other government agencies helped our cause. I have, accordingly, remained chary about bringing up the subject. . . .

"It is natural that presidential nominations become the topic of conversation from any angle. . . . There is widespread denunciation—that America's Asiatic policy has been one of fumbling, failure and downright treachery. It gives an easy opening to the suggestions of future policies and actions. . . .

"My recent contacts include:

"———, owner of the ———, . . . is a Republican leader throughout the West. He can be considered an addition to our pipe-line. He will not

only influence his own newspapers, but also others.

"———, owner and publisher of the ———. He too is a welcome addition to the main pipe-line. . . .

"———, feature writer—an old Asia hand and one who goes to any lengths to write or plant stories desirable." (*The names above are left blank because we have only this statement that the journalists referred to are parts of a pipeline.*)

Cabal Against Li

All in all, Chen Chih-mai had a busy summer in 1949, what with riding herd

on Messrs. Goodwin and Paige and entertaining Congressmen and other influential Americans. A complication arose from Chiang's resignation. Although General Li Tsung-jen had become Acting President in January, 1949, Chen Chih-mai and his colleagues continued to report to the Generalissimo—who was busy sweeping the tombs of his ancestors—as if he had never "retired."

Life at the Embassy became more devious than ever. Since Ambassador Koo was considered unreliable, all cables dealing with Lobby activities were dispatched to Chiang not through

THE CASE OF GENERAL LI

On March 29, 1948, the Chinese National Assembly elected Chiang Kai-shek President of the Republic and Li Tsung-jen Vice-President. The Generalissimo had favored Dr. Sun Fo as Vice-President, and the election of Li Tsung-jen spurred the hopes of the reform groups in the Assembly.

No reforms came. As the civil war went from bad to worse, however, talk of Chiang's retirement spread. Chiang held on as long as possible. On January 3, 1949, the U.S. ambassador reported: "His [Chiang's] stubborn pride [and] the influence of . . . irreconcilables, led him to retract his forthright decision made earlier in the week to resign and leave the Vice-President free . . ."

On January 21 Chiang finally resigned, and Li began attempting to reach a peaceful settlement with the Communists. From the start, Li was hamstrung by Chiang, though the latter had officially retired. Certain Kuomintang leaders refused to come to Nanking, and Dr. Sun Fo, who had become Prime Minister, headed an anti-Li faction in Canton.

Li constantly appealed for U.S. backing. The United States seemed reluctant, however, to make any public commitments. U.S. officials realized Li's predicament. On April 4, 1949, Ambassador Stuart reported: "The Generalissimo, though outwardly cooperating, is maintaining in effect independent political and military authority."

On April 20 the Communists crossed the Yangtze. On April 23 the Government left Nanking, and with that the last hopes for a peaceful settlement faded. Shortly afterward, Li Tsung-jen came to the U.S. for medical treatment.

General Li "had a great sense of justice and an appreciation of the vital need for reform—and no illusions about the Communists." This tribute comes from *The China Story*, by Freda Utley. On May 5, 1949, General Li wrote as follows to President Truman:

"Throughout our war . . . against Japanese aggression, the United States . . . extended to us her moral and material assistance, which enabled our country to carry on an arduous struggle . . . until final victory . . .

"This policy of friendly assistance was continued when [General Marshall] took up the difficult task of mediation in our conflict with the Chinese Communists . . . All this work was unfortunately rendered fruitless by the lack of sincerity on the part of both the then Government and the Chinese Communists.

"In spite of this, your country continued to extend its aid to our Government. It is regrettable that, owing to the failure of our then Government to make judicious use of this aid and to bring about appropriate political, economic and military reforms, your assistance has not produced the desired effect . . ."

the Embassy but through channels controlled by Chiang's trusted agents. As the cables indicate, Chen Chih-mai, aided by General Pee, started intriguing against Acting President Li. On November 28, 1949, Pee cabled to Chiang as follows:

"Congressman Judd gave us information by saying that the State Department may give Kan Chieh-hou [President Li's personal representative in the U.S.] the following promise. If Li were capable of getting rid of the old feudal system of evil forces and could succeed in obtaining military and political power, then aid from the American government will be forwarded immediately. The intention of the U.S. government is to deal a blow at you."

Offered: \$5 Million

One of the most ambitious schemes of the Lobby appears in Chen's cable of September 15:

"Yesterday, my humble self, Chen Chih-mai, met General Albert Wedemeyer. General told me that an aluminum magnate [J. Louis Reynolds of the Reynolds Metals Co.] relayed a message to him that the Chinese government intended to hire him at five million dollars if he would give up his military career in the United States government to go to China to assist us in the anti-Communist activities."

"General Wedemeyer said he always has great sympathy toward our anti-Communist policy, and especially holds you in great esteem as a leader. He is willing to try his best, if he finds himself in a position to be of service to you as an individual."

"However, his opposition to the present United States foreign policy is a well-known fact. Therefore, if he comes to China as a private citizen in a private capacity, it will be certain that he would not be supported by the United States government. So nothing can be accomplished. He also said he could get by financially. If we have such a large sum of money, private or public, it should be used for the welfare of the people in order to enhance the force against the Communists."

According to Drew Pearson, General Wedemeyer has confirmed both the offer and his rejection of it.

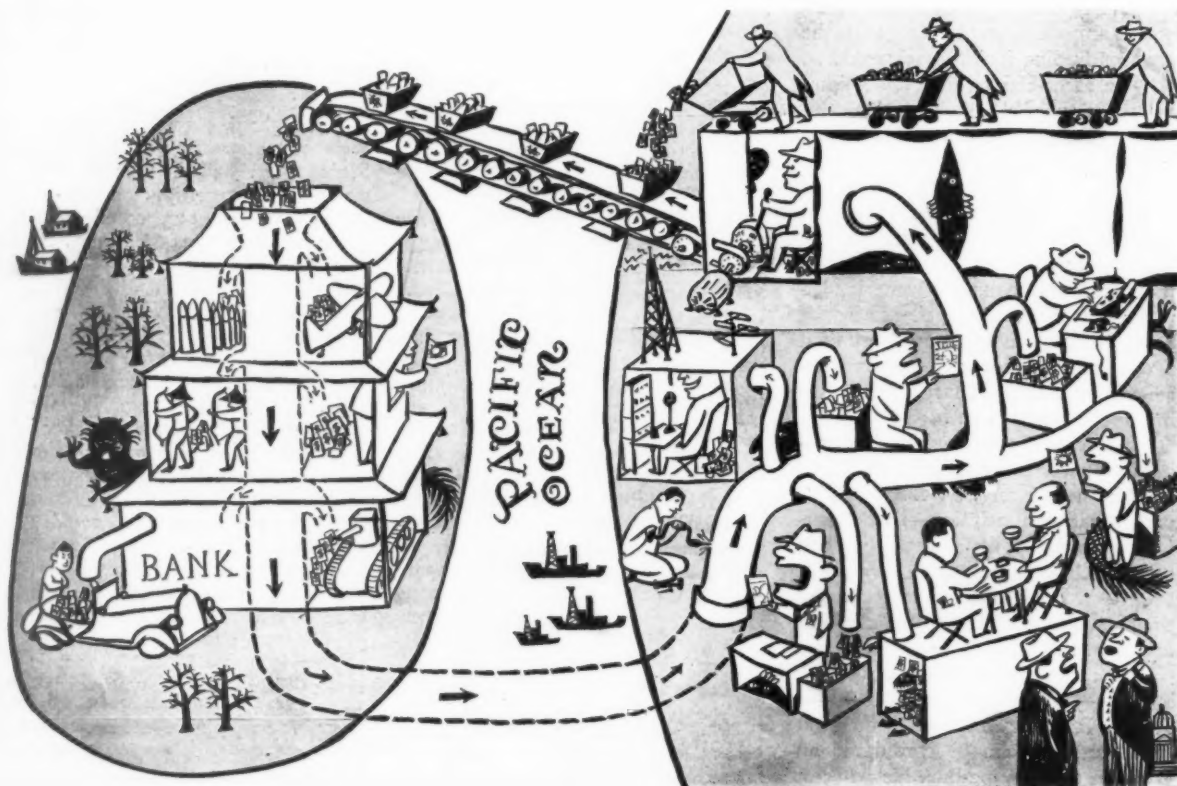
According to former Nationalist officials, the idea of hiring General Wedemeyer originated with T. V. Soong, who, together with Ambassador Koo, was desperately seeking a means of reversing the policy advanced by the White Paper and paving the way for further U.S. aid. The scheme was that if a U.S. general like Wedemeyer were once established on Formosa, his unofficial mission could easily turn into an official one for the United States.

Hiring an Admiral

Though Chen Chih-mai had little to do with the Wedemeyer project, he may well take some credit for the departure for Formosa in the winter of 1949-1950 of Admiral Charles M. Cooke, Jr., who had commanded the Seventh Fleet in 1947 and 1948. In the latter year Admiral Cooke had retired and returned to the United States to become an ardent and vocal supporter of the Nationalists.

Aside from numerous speaking engagements, Admiral Cooke worked mostly on the problem of obtaining official clearance for a mission of retired U.S. officers to be hired directly by the Nationalist government, a step that would have required Presidential sanction. According to Admiral Cooke, his 1949 trip to Formosa was made as a correspondent for the International News Service. Although the Admiral says he was not paid by I.N.S., several articles by him have appeared in the Hearst press.

Once arrived in Formosa, Admiral Cooke quickly found a way to realize his project without Presidential sanction. In the spring of 1950 he entered the



employment of Commerce International-China, an American firm that was under contract to the Nationalist government as its official purchasing and sales agent. Shortly after it hired Admiral Cooke, C.I.C. added sixteen former U.S. officers to its payroll in Formosa.

In the absence of any official U.S. military mission to Formosa at that time, these officers were called the American Technical and Military Advisory Group. According to one report, C.I.C. received a service fee of \$750,000 from the Nationalist government, part of which went to cover the expenses of maintaining the Advisory Group.

Envoy to MacArthur

Admiral Cooke's chief function was liaison with SCAP headquarters in Tokyo, and his job, first and last, was to bring General MacArthur into the Nationalist camp. However, as late as the beginning of 1950, General Chu Shih-ming, Chiang's chief of mission in Tokyo, was still reporting SCAP's cool indifference.

A few weeks after the Korean War broke out, Admiral Cooke succeeded in persuading the MacArthur headquarters to release to the Nationalists 22,000 rounds of three-inch Navy shells at a price of \$3 each, plus 40,000 rounds of 20-mm. and 40-mm. shells. On July 31, 1950, General MacArthur paid his first postwar visit to Formosa—and a successful visit too.

Admiral Cooke's latest gesture for the Nationalist cause was an appearance before the McCarran subcommittee last fall, following a dramatic flight from Formosa, to testify against John Carter Vincent, Walton Butterworth, and Philip Jessup.

Admiral Cooke has now reportedly severed his connections with C.I.C., but the firm itself continues to be as active as ever. On last June 26, it finally registered with the Department of Justice as a paid agent of the Republic of China.

THUS CHEN CHIH-MAI's private diplomacy was to bring to Formosa, pending the time the U.S. Army itself would arrive, a small private army of American officers. U.S. generals and admirals, retired or not, were encouraged to make private alliances, which Chen Chih-mai hoped and prayed the U.S. government would later on ratify.

VIII—China Rediscovered

Kohlberg and his men struggle along until, as he says, a 'dumb enough' Senator sets off the explosion and latches onto China



THE smiling Counselor was lobbying with a vengeance all through 1949. Perhaps he overstepped the boundaries of conventional diplomacy, but his government was in a very unconventional, indeed tragic, spot. Chen Chih-mai served his leader, for all we know, faithfully and well.

During the same year there were quite a few American citizens who, on their own initiative and with their own means, were moving in the same direction as the lobbyists controlled by Chen Chih-mai. The Counselor and his inner group saw to it that the volunteers were well stocked with information and sometimes with directives—but delicately. Each group and each leader needed special treatment. Volunteers are harder to keep in line than paid workers. Yet no foreign lobby in our country will ever succeed unless it can organize the spontaneous cooperation of well-meaning Americans.

A Notable Volunteer

Among China's most energetic volunteers in 1949, a notable one was

Frederick C. McKee, a Pittsburgh industrialist, who has for years contributed zeal, time, and funds to causes he has believed in.

Since the fall of 1939, there have been in our country a number of organizations dedicated to a single foreign-policy issue. They cross political, economic, and religious lines, and, when their goal is reached, they are disbanded. In the most liberal of these organizations Frederick McKee was always to be found—an internationally minded fervent political do-gooder. In 1949, he appeared again and founded, with the aid of a few old friends, veterans of the William Allen White Committee, the Committee to Defend America by Aiding Anti-Communist China.

Strange Bedfellows

On the board of directors of McKee's committee were three AFL leaders: Matthew Woll, David Dubinsky, and Jay Lovestone, the ex-Communist Party chieftain who had become top foreign adviser to the AFL. Overtures were made to the CIO, evidently without success. The AFL, however, had its own foreign-affairs branch—the Free Trade Union Committee, headed by Mr. Woll as president with Mr. Lovestone as moving spirit. In July the F.T.U.C. came out for immediate aid to the Nationalist régime, "under careful supervision of American military and economic authorities," and soon started distributing pro-Nationalist propaganda and writing letters to Congressmen urging more aid for the Nationalists. In a policy statement last May, the AFL demanded continued military and economic aid to the Formosa government.

According to persons who know him, Mr. McKee is not overfond of Alfred Kohlberg. But they have a cause in

common. Last June, ten of the fifty-one directors of Mr. McKee's committee were also directors of the American China Policy Association, which Mr. Kohlberg says he did not organize but "took . . . in hand" early in its career. The Association is a small group—it was deliberately kept so in the early stages, Mr. Kohlberg says, "because we didn't want anyone . . . who didn't agree with us"—but it includes citizens of fairly diverse views and reputation. Until last summer, its president was Clare Boothe Luce. She was succeeded by William Loeb, the publisher of the Manchester, New Hampshire, *Union Leader*, a Republican who loves G.O.P. Senator Styles Bridges but loathes G.O.P. Senator Charles W. Tobey, whom he once called "dangerous to the future safety of the United States." Republican Senators George Aiken and Ralph Flanders he has described as "those two disgraces to the State of Vermont."

One of the directors of the China Policy Association is the Reverend Dr. James W. Fife, a Congregationalist minister and head of Spiritual Mobilization, who has been widely criticized in Los Angeles for the anti-Semitic overtones of his radio speeches. In a talk in 1948, Dr. Fife singled out Mr. Kohlberg as "one of the five most vigorous, helpful, and constructive individuals in the anti-Communist forces [who] happen to be Jews." Recently, when asked whether there was a China Lobby in the United States, Dr. Fife said: "Yes, there is. Its head is Alfred Kohlberg, one of my dearest friends."

The Impact of Hiss

Early in 1949, when Madame Chiang was briefing the Chinese inner circle at the home of Mr. Kohlberg's friend H. H. Kung, Mr. Kohlberg suddenly renewed his attacks on the Institute of Pacific Relations after two years of comparative silence on the subject. In June he took off on a visit to Formosa. On his return he called on his friend Senator Bridges, wrote a report on China, and before long had his first meeting with T. V. Soong.

At about the same time, he was seeking what he called "the inside dope" on Ambassador-at-large Philip C. Jessup, under whose direction the White Paper had been prepared. Mr. Kohlberg wanted to find out, as he himself put it in an open letter to the columnist Rob-



Clare Boothe Luce

ert S. Allen published in the *China Monthly*, whether Jessup "is just a confused liberal who has been used by more sinister subversives like Henry Wallace."

BY EARLY summer of 1949, Alfred Kohlberg, Frederick McKee, and all the other pro-Chiang volunteers had not succeeded in capturing the public's imagination. Alfred Kohlberg, the busiest of them all, had for years been denouncing the "Communist conspiracy in the State Department" to a growing but still parochial audience.

Around the time Mr. Kohlberg wrote his letter to Robert S. Allen, the first trial of Alger Hiss came to an end with a hung jury. The 8-4 verdict on Hiss's guilt just about represented the tormented indecisiveness of an extremely large number of people who for months had been debating among themselves, and many within themselves, whether Alger Hiss was guilty and whether, if he was, his lapse represented an accident in the life of one brilliant young man or a pattern of treason within the Administration.

This national ordeal of mutual suspicion and mulling over things past had started just after the war and reached a climax in the summer of 1948 with the outburst of confessions and accusations from Elizabeth Bentley, Whittaker Chambers, and Louis Budenz. These people, who became suddenly famous by reconstructing their pasts in public, released a wave of fear in a deeply disturbed na-

tion: the fear above all that the new enemy the United States was facing—far more dangerous than the ones that had just been defeated—could have received and might still be receiving assistance from men in high places.

On January 21, 1950, after his second trial, Alger Hiss was convicted on two counts of perjury and Dean Acheson said he would not turn his back on him. Three weeks later a man came up with "guts enough and dumb enough," as Mr. Kohlberg was later to phrase it, to accuse the makers of foreign policy of being traitors.

McCarthy Discovers China

The man, of course, was Joseph McCarthy. On February 9, the junior Senator from Wisconsin made his now-famous speech in Wheeling, West Virginia, announcing that he held in his hands the names of 205 Communists in the State Department. He had based his charges on a jumble of material, some of which was derived from a two-year-old Congressional investigation, some from Mr. Kohlberg's own letters and articles, some from William Goodwin. What is surprising is that in this first broadside he made only a few passing references to China.

In February, soon after McCarthy's first outburst, Mr. Kohlberg met the Senator for the first time. They needed each other. McCarthy had the headlines and wanted ammunition; Mr. Kohlberg had never made the headlines but had a whole arsenal. Over dinner Mr. Kohlberg expounded his thesis that the I.P.R. was the instrument of Communist infiltration into the State Department. The Senator soon was furnished a collection of Mr. Kohlberg's favorite articles and releases, including "The State Department Espionage Case," by Emmanuel S. Larsen, which Mr. Kohlberg had printed in 1946 in *Plain Talk*.

At his first appearances before the Tydings Committee in mid-March, McCarthy quoted at length from both the Larsen article and an article by a Father Kearney, who later admitted that all his material had come from Mr. Kohlberg. Three days later McCarthy sent for Emmanuel Larsen and introduced him to his assistant, Don Surine. According to Larsen's later testimony, Surine explained that the Senator wanted Larsen's help. "If you string along with us," he added, "then it will

go much easier with you." When Larsen insisted he had no evidence of espionage or pro-Communists in the State Department, Surine dismissed him.

As the Tydings Committee hearings to investigate McCarthy's charges got under way, most Republicans were cautious; the party's policy committee officially dissociated itself from the McCarthy charges, although Senator Taft, its ranking member, personally urged his junior colleague to press them. But as the hearings went along, more and more Republicans stood up to accuse Senator Tydings of conducting a "whitewash" and to demand Acheson's resignation. Senator Taft moved steadily closer to McCarthy.

To right-wingers of all shades all over the country, China suddenly became, under Senator McCarthy's impetus, the magic issue that might finally provide the road to power. Many of the fringe groups had until then never shown any particular interest in China. Take Dr. Edward Rumely's Committee for Constitutional Government, which ever since 1937 had been reviling the Administration on domestic issues. Its favorite author, John T. Flynn, had published in October, 1949, *The Road Ahead*, which the committee campaigned to put in every fifth American home. This book never mentions China.

But in November, 1951, Flynn published another book, *While You Slept*, entirely devoted to "our tragedy in Asia." Not the slightest responsibility for this tragedy is ascribed to Chiang. As Flynn has it, "the plan was laid in Russia" and "carried out in the United States by Americans, and by only a handful of Americans." The chief villains of the piece are Marshall, Acheson and, of course, Roosevelt, who in Flynn's account once tried to induce

Stalin to join a world government that would have made Roosevelt "President of the World."

The Chorus

Like Dr. Rumely, most of the professional rightists joined in. Merwin K. Hart, president of the National Economic Council, who is fanatical against what he calls "political Zionism," had already exchanged congratulatory letters with Kohlberg on their common ideas. Incidentally, Mr. Hart employs Freda Utley, the ex-Communist whose *China Story* has become the official history recommended by General MacArthur. Joseph P. Kamp of the Constitutional Educational League has chimed in, his paper *Headlines* adding its special touches, such as accusing Dean Acheson of trying "to sovietize Japan" and shielding Molotov's brother-in-law. Gerald L. K. Smith, in his *The Cross and the Flag*, quoted Senator Jenner's statement that General Marshall "is a living lie." Smith also suggested that Marshall had protected Acheson and Hiss and fostered "the pro-Russian Oriental policy of our State Department." Throughout 1950 and 1951 the chorus from the Right and even from some sections of the Center and Left grew shriller and shriller. Kohlberg could well be pleased with his part in preparing the score. "I am proud," he declared, "to have given Senator McCarthy a small part of the information he gathered for his fight . . ." A year later he had only one reservation about the Senator. "He doesn't go far enough," Kohlberg remarked. "He's too cautious about using his information."

People from the most disparate groups, Catholics and Klansmen, Jews and anti-Semites, labor men and "eco-

nomic royalists," all were united in interlocking committees or interlocking ideas, all backing Chiang. This was not only the Lobby's doing, of course, but the Lobby gave the inspiration. In the clamor, more and more scruples came to be dropped. A man in whom rugged integrity and loyalty to Chiang had been struggling for years, Congressman Judd, is reported to have begged McCarthy early in the game not to "call [them] Communists." But as the tide rose, Walter Judd too was swept along.

In the bustle, pushing and being pushed, was Frederick McKee, always active, eager to do the right thing. His slight, nervous figure, loosely clad in a salt-and-pepper suit, could be seen frequently leaving Chen Chih-mai's office, carrying a briefcase laden with literature. He trotted down to the National Airport and took a plane out to Ohio, to get the story of Brigadier General David Brink, who had been second in command to General Barr in China and didn't agree with his superior about the hopelessness of the Nationalists' situation; back to Washington he flew, to tell Congress about it. He trotted over to the State Department to present Under Secretary Webb with a set of figures compiled by his Chinese friend to refute the Department's figures on aid to China. He trotted here, there, everywhere.

And yet, even when he was working so zealously for what seemed to be the winning side, Mr. McKee seemed to have retained his passion for liberal causes. In 1950, he had, with all his usual ardor, collected—and given—money for the defeat of Senator Pat McCarran in the Nevada primaries and in the elections. But McKee and McCarran are both in the front rank of the Formosa parade.



Freda Utley



Merwin K. Hart



Dr. Edward Rumely



IX—Korea and Beyond

*War brought U.S. soldiers to Asia,
Chiang's hopes soared and dwindled,
the Lobby's bellicosity began to vanish*

of having been the Soviet architect of U.S. policy in China. On April 7, 1950, this cable was dispatched to Chiang:

"Lattimore is being questioned at a Congressional hearing, and he produced two letters—one from you addressed to President Roosevelt, and one from Madame Chiang addressed to Lattimore, wherein you both commended him highly. As a matter of fact, Lattimore in recent years has attacked our government viciously, and has opposed any aid for us. He especially despises you very much. Now, he has used the above-mentioned two letters for his own defense. But we are in quite a bit of doubt about the existence of these two letters. Last night Congressman Judd intended to call Madame Chiang by long distance in order to debunk Lattimore. After a discussion, the Congressman preferred that the report be relayed to you by a cable from us instead."

On May 3, General Pee, the military attaché who had once described himself as having been "patient and tolerant to the extremity with General Marshall," sent the following message:

"Last Sunday the New York Times editorialized about the China Lobbyists, and Ambassador Koo, Chen Chih-mai, H. H. Kung, and T. V. Soong were mentioned. The Lattimore case was created as a political weapon in a conflict between the two parties. But Lattimore and the Democratic Party intentionally pulled us into the case and accused us of a sneak attack on the State Department and General Marshall. We are really in a very bad spot. For details, ask Chen Chih-mai in person."

Gunning for Acheson

Meanwhile, of course, the Lobby kept up the classic pressures of all lobbyists, as Counselor Chen had indicated in a cable to Chiang back in July 21, 1949:

"As far as our activities in the U.S. are concerned, it seems that we should cover the Administration, as well as the legislative branch, we should especially strive for a closer relationship with the latter. There is no danger at all if our procedure strictly follows the laws of the United States, but

Dr. Hu Shih is opposed to getting in touch with the legislative branch. His opinion is off the beam."

By April 6, 1950, Chen Chih-mai was more than ever applying his tactics of working on the legislature. That day he cabled Chiang that he had had . . .

"a long talk with Knowland and Judd. They both said Mr. Acheson was strongly prejudiced against China to a most unreasonable degree, President Truman's ability is limited, and he is influenced by Acheson all of the time. Therefore, there is no chance for a change of China policy as long as Acheson is in power. However, Congressman Judd felt that our continuous air raids on the cities only killed many innocent people—he asked us to reconsider the military necessity of such action."

Two months later, on the eve of the war in Korea, Counselor Chen reported:

"Your subordinate Chen Chih-mai had a long talk with Congressman Judd, after he had shot a series of questions at Acheson today. After talking it over with others, the following conclusions were drawn: U.S. aid for China mainly depends on the outcome of General MacArthur's visit to Formosa. The most convenient formula for us to apply is to use the Japanese Peace Treaty, which is not signed as yet, as an excuse to work out with General MacArthur a so-called Formosa Defense Bill. Congress will support such a bill."

June 25, 1950

Three weeks later, war broke out in Korea, and Chen Chih-mai no longer had to press for a "Formosa Defense Bill." The North Koreans took care of that—and more. President Truman sent the Seventh Fleet to neutralize and, if necessary, protect the island. Thanks to the Communists, Chiang was safe—at least for the duration.

Actually, at the very beginning, the Lobby came to realize that June 25 had brought it one step forward and one step back. The war in which American soldiers finally debarked on the main-

AT THE Chinese Embassy in Washington all the tumult and the shouting brought on by the Tydings hearings were looked on as a great triumph. William Goodwin, Chen Chih-mai's No. 1 lobbyist, said in an interview with Ed Harris of the St. Louis *Post-Dispatch*: "We'll have a new China policy as a result of all this by the end of summer. . . . And as for Secretary Dean Acheson, I can tell you that he's already fired by President Truman. It just hasn't been announced. He has to get rid of him because of all the pressure."

The Tydings hearings presented Counselor Chen and his colleagues with problems as well as opportunities. One particularly troublesome case was that of Owen Lattimore, who in 1941 and 1942 had been Chiang Kai-shek's chief American adviser and who now stood accused by Senator McCarthy

land of Asia was only a limited one. In America, Lobby operators could not launch a campaign for total war, particularly in the early stages when our soldiers were fighting so bravely and with so little of everything. To this day, the China Lobby has been unable to make up its mind whether the Korean War is a blessing or a curse—the beginning of the end of Chiang's tribulations, or the "Truman war."

To a diplomatic activist like Chen Chih-mai, the ally status that the U.S. government once more granted Chiang was a harbinger of better things. Gently and firmly, he set himself to speeding up the tempo of their coming. A key man to keep in touch with was, of course, Mr. Republican, who might head tomorrow's Administration. Chen managed to have a good talk with the Senator. A cable of July 28, 1950:

"Senator Taft was immensely interested in the problems of Formosa. He at one time even advocated last January to send the U.S. fleet to defend Formosa. Your humble subordinate, Chen Chih-mai, gave Taft the following idea: We Chinese are willing to share the responsibilities along with General MacArthur in a fight against Russia and Communism; however, the economic strength in Formosa is weak and the source of manpower is limited—whereas, the mainland of China is teeming with guerrillas and a practically inexhaustible source of recruits. What they need is a proper leader and a proper organization. Your career in the racial revolutionary campaign, anti-aggression, anti-Japan, and anti-Communism, is brilliantly recorded in history, and you are the most natural leader of Asia and the best partner of the United States as well.

"The above idea will be used by Taft in his speech which will in turn sell the same idea to the United States authorities."

A few weeks before his conversation with Taft, Chen Chih-mai had sought the counsel of a rebellious Democrat, former Ambassador to the U.S.S.R. William C. Bullitt, who, although fighting against the Administration, still knew who carried weight at the White House and the State Department.

Mr. Bullitt had, said a cable:

"Recommended that we should get in touch—close and often—with Harriman and with the newly appointed Chief of the Far Eastern Division and Assistant Secretary of the State Department—Dean Rusk."

In the Embassy's opinion there was one great difficulty:

"Harriman is a rich man's son, and also he is very scrupulous."

Chen Chih-mai had another thing to hope for: Would Red China enter the Korean War? On September 13, 1950, he reported:

"... What Americans fear the most is the forthcoming participation of the Chinese Communists in the Korean War. This development bears a very high possibility, of course, but at the present stage, our policy should be:

"a. Do not make any publicity about the northward moves of the Chinese Communist troops because such publicity will arouse the suspicions and fears of the Americans and would give the Americans an excuse that we are yearning for such a conflict.

"b. Instead, we should yell at the top of our lungs in an effort to persuade the Chinese people on the mainland not to be fooled by the Russians and Chinese Communists to participate in the Korean War. Then it would match perfectly with American psychology."

As far as the Formosa régime was concerned, events in Korea never lost their ambivalent quality, no matter how the war was going for the U.N. Chen Chih-mai saw the Inchon landing as an ominous portent of peace. On September 30, he cabled Chiang:

"The American people are quite excited over the recent victory in Korea. The American authorities will use this as political capital during the election year. The U.S. policy toward Formosa will have a tendency of a compromise. The attack from the Republicans will no longer be effective. American friends cautioned us that we were facing a most critical and dangerous situation. Our counter-measure is not to show our discouragement."

Chiang has been exposed to the danger of our making peace with Red China since the day when Red China entered the war, and the danger became particularly real when the war practically ended in a stalemate. As late as March 28, 1952, Chiang warned the U.N. against a truce.

All in all, the Korean War has

granted Chiang a desperately needed reprieve, and at the same time afflicted him with tantalizing prospects. Up to now, these prospects have remained largely beyond reach. Even his most active American friends seem now to be agitating for verbal or psychological rather than real war. The American people have become acquainted with the nature of war on the Asian mainland, and many leaders, Republicans or Democrats, are looking for short cuts to victory. The American strategy for Asia seems to be based on sea and air power. This is not what Chiang needs. Yet even Alfred Kohlberg's magazine came out with this disconcerting statement in an editorial on May 7, 1951: "We are not called upon to put Chiang's troops ashore on the East Asian mainland. All that we are called upon to do is to see that Chiang has the right to buy ships, the right to good advice, the right to enlist 'volunteers' of the caliber of General Chenault and his Flying Tigers. (He might even be permitted to hire MacArthur as his Chief-of-Staff.)"

MacArthur's return was hailed as the beginning of a new era. Perhaps it was the moment when Chiang's hopes soared highest. So did the hopes of the Lobby and of its friends. On April 23, 1951, *Life* wrote: "General MacArthur has a great role—a role of greatness—to play in this country now." But after the Senate hearings the same magazine (May 14, 1951) complained that he "chose to duck some other points in a fashion which at times seemed very weak and unconvincing."

Unquestionably, the China Lobby seems to be more effective in fighting the Communist conspiracy, real or fancied, at home than in rousing the people for a holy war against Red China.

When it comes to measures for the defeat of Communism and Chiang's reconquest of China, these indomitable home-front warriors have little more to suggest than the battle for the minds of men, or, at the utmost, some assistance to the Chinese guerrillas. Perhaps Chiang has never felt further away from the Chinese mainland than he does today.

Sometimes Chen Chih-mai, a man who knows how to appraise men and things, must wonder who is using whom; and what his grueling labors and tribulations are for, after all.







Dean Acheson

OUR POLICY toward Chiang, since Franklin Roosevelt decided that we should have one, has been torn by the conflict between what our national interest requires of China and what the Kuomintang demands of us. The Kuomintang wants unconditional, unlimited assistance, both economic and military; the American national interest requires a strong, independent, and decently governed China. But no compromise has ever been possible between the American and the Kuomintang notions of strength, independence, and decency.

If Chiang Kai-shek were now the ruler of China, he would be cultivating good relations with Russia, just as, for all his internal anti-Communism, he always did as long as he held power on the mainland. Today the Formosa-bound Chinese ruler cannot play the balance-of-power game between the United States and Russia. He cannot threaten to turn against us. He has, however, through lobbyists and zealots in the United States, turned against our State Department, one agency of our government that has—or has had—the temerity to defend U.S. interests against the insatiable demands of the Kuomintang régime.

This operation against the American State Department, its policies, and its men may very well go down in history

X—Our Asian Policy: The Jammed Rudder

as a classic. By skill and by luck, the China Lobby has managed to jam the rudder of our Far Eastern foreign policy. Luck helped toward the end of 1949, when the Chinese Communists began ruthlessly mistreating American consular officials; on June 25, 1950, when North Korea started the war; and finally in November, 1950, when Red China went to the rescue of North Korea. Such domestic events as the trial of Alger Hiss also helped. The Lobby succeeded in exploiting all these advantages with such brashness and skill that even to admit having considered the recognition of Communist China has become anathema to the leaders of our foreign policy.

Those State Department officials who in the line of duty were attached to Mao's headquarters during the war against Japan, those who then and later thought there was a chance, and a chance well worth taking, to keep the Chinese Communists from falling into the hands of the Kremlin—these men are now branded as traitors. The Lobbyists have succeeded in making retroactive the present state of war between our country and Red China so that they can exercise "thought control" over thoughts that men had in the past. They have called everybody they dislike Communists. The course of our foreign policy in Asia has been set: We can only help Chiang. What the other Asian powers and our European allies may think about this is immaterial.

The Robot Policy

The Lobby's tactics have been to attack State Department personnel, to threaten boycott of the Marshall Plan program for Europe, and to blame the Administration for whatever advances Communism has made anywhere in the world. Under this crossfire the Administration has fallen back on the

defensive. To ransom its European-aid program and to avoid giving the Republicans further ammunition for the electoral campaigns of 1950 and 1952, the Administration has had to fight a delaying action.

The Lobby's campaign has been just as successful against men as against policies. Most Americans were shocked when Senator McCarthy all but called General Marshall a traitor on the floor of the Senate. But General Marshall was probably not surprised at all. The first time he had been called a traitor was in a Kuomintang newspaper in 1948. Both in the United States and in China—particularly in China—he has had a unique opportunity to study the Lobby in action. His big obstacle as a mediator, apart from the bad faith of both sides, was the reassurance Chiang was getting from his friends in America. They told him that he didn't have to yield, so, of course, Chiang did his best to stall the negotiations that he had originally wanted. General Marshall had ample opportunity to learn that the Lobby's influence has been as nefarious in Chinese as in American politics.

Even before Red China showed its hostility toward us, the Lobby's campaign of intimidation produced results. In September, 1949, the No. 2 Communist leader Chou En-lai invited the U.S. ambassador to China, Leighton Stuart, to visit Yenching University in Peking, of which Dr. Stuart had been president. The State Department, still hoping to drive a wedge between Mao and Stalin, favored the visit, but President Truman, fearful that he might be accused of selling out Chiang at "another Yalta," vetoed the trip.

In January, 1950, when the question of expelling the Nationalist Chinese delegate came up in the Security Council, the American representative said that his government viewed the

matter as a procedural one and would abide by the decision of a majority vote. In June, 1951, during the MacArthur hearings, Secretary Acheson said that it was not clear whether representation in the United Nations was a purely procedural matter. If it were a "matter of substance"—a point that only the World Court could decide—the United States could deliver a veto in the Security Council. And finally, when the Senate was considering the confirmation of American delegates to the latest General Assembly in Paris, one Senator asked all ten to declare their views on the recognition of Mao. Through this gradual stifling process the robotization of our China policy has been achieved. The State Department has had to accept it in order to keep some freedom of action in Europe and the Middle East.

One of the Lobby's favorite targets after General Marshall has been John Carter Vincent, Counselor of Embassy in China in 1942 and later chief of the Division of Chinese Affairs at the State Department. Mr. Vincent has now reached the point in his career when he might normally expect to become an ambassador, if only he could pass the test of Senate confirmation. Instead, the department assigned him to Switzerland as minister, and still later, under continuing pressure, to a less "sensitive" post at Tangier. Last spring Fulton Lewis, Jr., gave his public a glimpse of how the attacks on Mr. Vincent had originated. He announced that he had got hold of a report by Chiang's secret police, "one of several dozen" that were being circulated "in and around Washington." In his column he reported with relish how "Chiang's footpads" had "tailed" U.S. representatives all over China, rifled their files, and eavesdropped on their official and unofficial talks.

To judge from Mr. Lewis's examples, the secret-police reports were not very impressive. Mr. Lewis patched them together to make a picture of fellow-traveling career men conspiring to sell out Chiang to the Communists. He described Mr. Vincent, accurately enough, as "another of the State Department officials who went through the Nationalist Chinese intelligence wringer." According to Mr. Lewis, one of the secret-police reports "relates details on how Pat Hurley . . . had Vincent recalled to the United States



from China." (Mr. Vincent left China more than a year before Mr. Hurley was appointed ambassador.)

The same document reported that John Stewart Service "rode in Army car No. 2070 . . . to the office of the Communist leader at No. 50 Tseng-Chia-Yen," and that he later "went in person to Yen-an to see Communist Mao Tse-tung." Mr. Lewis did not explain that Mr. Service was the official liaison man between the U.S. Army Headquarters and the Communist 18th Army Group, or that his visit to Yen-an lasted for almost a year, since he was a member of the official U.S. Army Observer Group that was dispatched to Yen-an with the approval of Chiang Kai-shek. Or that Pat Hurley too "went in person to Yen-an to see Communist Mao Tse-tung."

The End of the China Service

The attack on these individuals spread into an attack on the entire "China Service" which the State Department had created after the First World War. Because Chinese dialects, history, and customs are so difficult to master, the Department picked young men of particular aptitude and sent them to

school in China for two years—and an optional third—of full-time study.

These men formed a sort of elite in the foreign service, but not on the basis of social snobbery. The "China Service" was a rugged, unglamorous, challenging assignment. Its men came mostly from families of modest means, frequently from missionary families, and many of them had spoken Chinese since childhood. So much did they steep themselves in the language and in the thinking habits of the Chinese people that they became the most envied corps of diplomatic experts in the Orient. Neither the British nor the Russians had anything to compare with our China Service; not until 1942 did the Russians copy our methods to build a service that could match it.

Today this corps has been disbanded. Of the twenty-two officers who belonged to it before the Second World War and who are still with the Department, only two continue to work in the Division of Chinese Affairs. Both had the luck not to be in China during the war. The other twenty are scattered about the world. One, born of missionary parents and with twenty-five years' duty in China, is at Palermo. Another, with eighteen years, is in Ecuador. Twenty-nine years of experience in China of two men are now being utilized by the Department. The 285 years of the other twenty are being thrown away.

The State Department's attempt to protect its men by sending them off to posts remote from China did not help much. Even when they are scattered around the world, the Lobby knows how to reach them. Eleven of the twenty-two have been attacked in China Lobby literature or in Congressional investigations. One, Oliver Edmund Clubb, after seven months' suspension for loyalty hearings and after Dean Acheson had overruled the verdict against him, has resigned. Another, John Paton Davies, who was recently cleared after a long suspension, has been assigned to a post in Germany. John Carter Vincent, who returned on leave from Tangier to demand a hearing before the McCarran Subcommittee, was "completely cleared" by the Department's loyalty board and returned to Tangier. It will be surprising if he is not recalled again and again to face the same old charges.

The State Department no longer

"I don't consider all the \$250 million we spend on the State Department as waste. There is a little of it that I consider not waste. That is the small part of it that goes to pay the salaries of the good Americans in there, whom I call the pro-American underground, who pass on information of what is going on."

—Alfred Kohlberg

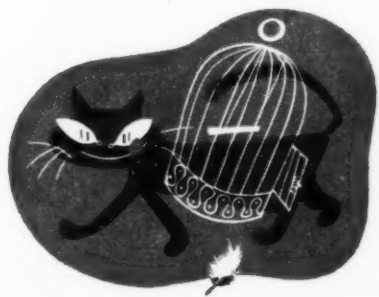
offers an attractive career for young men. In 1949, 1,128 candidates took the foreign-service examinations; in 1950, 807; in 1951, only 760. At the present time just one is enrolled in the once-famous training program of the China Service.

Officers who once wrote candid reports, expecting them to be read only by their superiors, have come to consider how each word they write would look when excerpted before some committee and then re-excerpted in the newspapers. A good foreign-service officer, like a good detective or reporter, used to get all the information he could and keep a close watch on troublemakers. But now foreign-service officers have to restrict their acquaintanceship to people who will not seem objectionable. Our foreign service is becoming more and more like Soviet Russia's, which confines itself to telling its masters only what they want to hear.

Today many career diplomats tend to keep their mouths shut or to hedge. This is particularly true at meetings with representatives of other government agencies. Under such circumstances, correct policy decisions are accidental.

'Besmirched'

Yet the need for correct decisions has never been greater. The July, 1951, issue of the *American Foreign Service Journal* put it this way: "... such has been the effect of happenings of the last years that, at the very moment in history when the Foreign Service should be at the peak of its capabilities, when it should be best prepared to meet the terrible responsibilities of a period of decision between war and peace, it should itself become besmirched before the eyes of the American people, its confidence, courage, and very belief in its own principles and precepts, seriously if not irreparably damaged."



XI—The World Of Alfred Kohlberg

CHARLES WERTENBAKER

MR. ALFRED KOHLBERG, the importer of Chinese embroidery and self-educated expert on Communist conspiracy, lives in a world of absolutes. He rigorously divides nearly everything that comes under his scrutiny into two general classifications—patriotic truth and treasonable conspiracy. "I'm a businessman," says Mr. Kohlberg. "I judge things by results."

Mr. Kohlberg himself usually gets results. For example, it has been substantiated by the record and by Mr. Kohlberg's own statements that he furnished much of Senator McCarthy's "case" against Owen Lattimore. But after Mr. Lattimore defended himself successfully against the McCarthy charges before the Tydings Committee, Mr. Kohlberg made a speech to the Larchmont Men's Club in which he stated:

"I am not trying to prove that Owen Lattimore is, or was, either a Communist or an espionage agent, because I do not have that proof."

Like Senator McCarthy, Mr. Kohlberg has a way of increasing the emotional effectiveness of his accusations by denying that he has made any accusations. Not long ago he told a student of Chinese affairs that Communists have filled the government with their agents and that Dean Acheson is the leader of the State Department ring. Mr. Kohlberg repeated that there was no doubt that Mr. Acheson was a Communist but added that he could not print the statement because he was unable to document it. But when this reporter asked whether he thought the Secretary of State was a Communist, Mr. Kohlberg replied as follows: "I don't believe he is a Communist or sincerely pro-Communist. He is a very able, very clever, very shallow man—not the kind of man who becomes a Communist. He's like my lawyer."

Mr. Kohlberg himself is an able, clever, complex man, and if he believes

one thing at one time and something else at another time, he nevertheless says everything with utter conviction.

A Study in Scarlet

Mr. Kohlberg is a rotund little man in a neat business suit with what he has brand-named a "Kohlkerchief" sticking out of the breast pocket; he has a smooth, chubby face, a shiny bald head, and an agile smile. There is no warmth or mirth in the smile.

He has been writing long and important letters to newspapers and Congressmen for many of his sixty-odd years, and has written scores of articles and letters to editors. He is a voluble public speaker, and will talk readily to anybody who pays him a call.

"In January, 1945," he told this reporter, "I wrote a dream of the Communist conquest of the world. After I wrote it, an ex-Communist newspaperman dropped in on me and said I must have based it on the program of the Communist International."

"Who was the ex-Communist newspaperman?" he was asked.

"I won't tell you. I got the program at a second-hand bookstore. I had to pay \$2.50 for one ten-cent document." Mr. Kohlberg handed over a pamphlet entitled "Theses and Resolutions of the Sixth World Congress of the Communist International," dated December 12, 1928. He also referred to the program of the Communist International dated September 1, 1928.

"These documents and others are available to the State Department. But the State Department didn't seem to know about them. James Byrnes didn't know about them. Marshall didn't know about them. Acheson didn't know about them. Acheson wrote to Senator George that he hadn't read them. That was in April, 1947." (Mr. Kohlberg never has to fumble for a date.) "What motivates Acheson is ambition. He realized that if he went along with the

pro-Communist group he would serve his own advancement. There was a pro-Communist group in the White House and he went along."

Mr. Kohlberg paused to listen to another question: "Who do you consider were the pro-Communists in the White House?"

"I'm not going to name them for you. There has been sworn testimony by Elizabeth Bentley, by Whittaker Chambers, and in the Tydings hearings. Between the fall of 1944 and August, 1946, in the State Department all five heads of the Far East end were relieved or removed. There was Joseph Grew, Stanley Hornbeck, Joseph Ballantine, Eugene Dooman—I said five; leave it at four. Who forced them out? Well, now, let's see who were the Secretaries of State. Stettinius, Byrnes, and Marshall, all in those years. [Marshall actually became Secretary of State in January, 1947.] They didn't know enough to make that mistake. They did it on the advice of people below who knew. No, I'm not going to name them, either.

"After 1946 there was almost no one in Washington who didn't have sympathy for Communism, and there were some pro-Communists."

"Exactly what do you mean by a pro-Communist?"

"I mean by a pro-Communist a person whose sympathies in the Far East were with the Communist forces. I can't go into the mental processes. He might not be a pro-Communist in Europe. Philip Jessup, for instance, is probably not pro-Communist in Europe. I don't know whether he is or not. But in the Far East he is pro-Communist."

Belfast and Swatow

Mr. Kohlberg is reluctant to talk about his personal life and his business. He prefers his crusade against Communism as a topic of conversation. However, it is known that he was born and brought up in San Francisco, that his father was in the wholesale food business and, according to San Franciscans, was well off. Alfred graduated from Lowell High School in 1904 and from the University of California in 1908. After college, according to his own account, he was "sales representative in San Francisco for some New York firms."

At the Panama-Pacific International



Alfred Kohlberg

Exposition in San Francisco in 1915 he saw some Chinese silks and laces, became enamored of them, and made a trip to China the next year. He set himself up in business there and opened offices in England and Switzerland and, in 1917, in New York. His business prospered; Mr. Kohlberg has estimated his gross at \$1.5 million in an average year before the Second World War. "I imported laces, silks, and other items from China," he said. "After 1922 I had my own establishment in Swatow. I bought linen in Belfast, shipped it to Swatow, had it finished, and then brought it here."

By 1937 Mr. Kohlberg had a hundred thousand Chinese women, working under contractors, embroidering his linens for export. It has been widely reported that his profits were derived largely from cheap labor and child labor, that a skilled Chinese girl working twelve hours a day earned twenty-five Chinese dollars a month. It is a pleasure to record another aspect of the picture as reported by Irene Corbally Kuhn in the June, 1951, issue of the *Sign*, a monthly magazine:

"His enlightened business methods have made his firm an outstanding one and have paid off in unusual human dividends," wrote Mrs. Kuhn. "... At the time of Pearl Harbor, Kohlberg's firm had 3,500,000 pieces of work in China. When the Japanese struck, he simply wrote off that shipment as a complete loss. Early in 1946, however, he discovered that his workers had managed to store away nearly 70 per cent. ... Some of the Chinese had gone to great lengths, often at

great personal expense, to hold up what they considered their end of the bargain. ... As a matter of course, Kohlberg took over all living expenses for his employees in China for the four years of the war. 'They risked their lives to fulfill their contract and save my goods ...' he says, matter-of-factly. 'I just put them back in business.'

"That reputation for fair-dealing which paid off so handsomely in China is as much a part of Kohlberg as his skin," Mrs. Kuhn concluded fulsomely.

In her article there was no mention of two cease-and-desist orders issued by the Federal Trade Commission to Alfred Kohlberg, Inc. The first, dated November 19, 1928, complained that although the firm's lace was wound on cards inscribed "Made in China," it carried such names as "Irish Crochet Lace," "Chinese Irish Lace," and "Swatow Irish Picot." The second order, issued on January 26, 1943, reported that "Made in China" tags or stickers had been loosely attached to Kohlberg merchandise bearing such names as "Tuscany," "Cluny Venise," "Valenciennes," etc. The order stated: "... that the unqualified use by the respondent of names signifying the lace producing sections of Europe ... [has] the tendency and capacity to mislead and deceive a substantial portion of the purchasing public ..."

Mr. Kohlberg himself was put back in business after the war by the Nationalist government, which promptly granted him export licenses. In the four years that the government stayed on the mainland after V.-E. Day, he was able to accumulate a pretty good inventory in New York. "If business stays bad, the way it is now," he says, "it will last for quite a while." The Nationalist government also granted him two decorations, the higher of which is called the Order of the Auspicious Star. Both hang in frames in Mr. Kohlberg's modest first-floor office at 1 West 37th Street, New York.

'World of Ideas'

The conversion of Mr. Kohlberg from prosperous merchant to zealot took place suddenly in 1943. "I never took Communism seriously until then," he said. "Some people act according to ideas, but the businessman always looks at results. I went to Russia in 1926, 1932, and 1935. I looked at what they

Fifteen Years of U.S.-Chinese Relations

(Events in the Far East are indicated in red)

1937

July—\$50-million U.S. stabilization loan to China

July 7—Japanese blow up Marco Polo Bridge, beginning undeclared war on China

1938

January 20—American Bureau for Medical Aid to China set up

1939

February—\$25-million U.S. loan to China

1940

April 20—\$20-million U.S. loan to China

June—T. V. Soong arrives on unofficial mission to Washington

1941

General Claire Chennault's Flying Tigers organized

February 4—\$50-million U.S. loan to China

March 11—Roosevelt signs Lend-Lease bill

April 29—T. V. Soong sets up China Defense Supplies

December 7—Japanese attack Pearl Harbor

1942

February 7—\$500-million U.S. loan to China authorized

March 6—General Stilwell reports to Chiang

1943

February 18—Mme. Chiang addresses joint session of Congress

Summer—Alfred Kohlberg visits China

November 22-26—Roosevelt and Churchill meet Chiang at Cairo

1944

June—Vice-President Henry Wallace's mission to China

August 18—General Hurley named President's Personal Representative to China

October 28—White House announces that General Wedemeyer will replace Stilwell as U.S. Commander in the China Theater

November—Hurley talks with Mao Tse-tung in Yenan, gets Communist proposals for coalition with Chiang

November 27—Edward R. Stettinius, Jr., replaces Cordell Hull as Secretary of State

December 4—T. V. Soong appointed Acting President of the Executive Yuan and assumes duties of Premier

1945

January 8—Hurley accredited Ambassador to China

February 11—Roosevelt, Stalin, and Churchill sign Yalta Agreements, including provision for Soviet treaty with Chiang

April 12—Death of Roosevelt

April 15—Hurley confers with Stalin and Molotov on Nationalist-Communist controversy

May 8—V.-E. Day

July 3—James F. Byrnes becomes Secretary of State

August 14—Japanese surrender; Soong signs Chinese-Soviet treaty of friendship and alliance in Moscow; Chiang invites Mao Tse-tung to Chungking

November 12—Nationalist government and Communists agree to submit differences to People's Consultative Council in attempt to end hostilities

November 27—Hurley resigns, claims State Department officials worked to disrupt U.S. policy

November 28—Senator Wherry (R., Nebraska) introduces resolution to investigate State Department

December 11—Senate Foreign Relations Committee drops investigation of Hurley charges

December 27—General George C. Marshall arrives in Chungking as President's Special Envoy

1946

March 4—Bank of China fixes foreign-exchange rate at 2,020 Chinese dollars for \$1 American

May 5—Transfer of Nationalist government from Chungking to Nanking

May 20—Marshall says both sides in China endanger nation's welfare by hate campaigns

June 14—Truman tells Congress China got \$602,045,000 since V.-J. Day, and aid will continue

July 11—J. Leighton Stuart confirmed as Ambassador to China

July 17—American China Policy Association formed, with J. B. Powell president

July 27—Communist truce proposal rejected by Nationalist government

August 10—Marshall and Stuart issue joint statement that peace in China seems impossible

August 29—UNRRA reveals in Washington that it will provide twelve planes to fly emergency relief into Chinese famine areas; Chennault to operate service

August 31—Soong announces \$800-million surplus-property agreement with U.S.

October—Kohlberg and others launch Plain Talk, featuring "The State Department Espionage Case"

October 9—Chiang invites Communists to send dele-





gates to National Assembly; Chou En-lai rejects proposal

December 6—Answering Marshall's mediation offer, Communists refuse to negotiate unless National Assembly is dissolved

December 31—Chiang promises continuing efforts to settle disputes with Communists

1947

January—Kohlberg *Plain Talk* article says that if aid to China is withheld, Chiang might accept Russian offer

January 7—Secretary of State Byrnes resigns; Marshall succeeds him

January 29—U.S. abandons efforts to mediate between Nationalists and Communists

January 30—Wang Ping-nan announces Communist decision to impose political demands by force

February 16—China prohibits trading in gold and foreign currencies; fixes rate officially at 12,000 Chinese dollars for \$1 American

February 28—Chinese government orders out Communist delegations in Nanking, Chungking, and Shanghai

June 30—\$500 million earmarked for China by Export-Import Bank, at Marshall's request, lapses; China held unable to use funds effectively for reconstruction

July 9—Truman sends Wedemeyer on fact-finding mission to China

August 24—Leaving China, Wedemeyer issues report condemning Communists' use of force, urging drastic economic reforms by Nationalists

October 13—William Bullitt in *Life* recommends \$1.-350,000,000 aid to save China from Communism

October 22—Clare Boothe Luce elected president of American China Policy Association

November 14—Representative Walter Judd (R., Minnesota) asks immediate aid to China

November 24—Dewey attacks Administration's China policy, recommends an estimated \$250 million a year for three or four years' economic aid, plus smaller amount for military

During the year—Kohlberg gives \$1,000 to Senator Styles Bridges's campaign fund

1948

January 21—Bridges letter to Marshall asks China aid

February 18—Truman gives Congress Administration program for China (\$570 million for fifteen months)

March—Bullitt, Wedemeyer, and Chennault testify before House Foreign Relations Committee on China aid

March 12—Communist forces occupy Szepeinghai

April 3—Truman signs Foreign Assistance Act of 1948; China gets \$463 million (\$338 million economic, \$125 million military)

April 5—*Life* editorial, "China: Blunder & Bluster," says Truman-Marshall Far Eastern policy is defeatist

April 9—William J. Goodwin registers as public-relations expert for National Resources Commission (Chinese)

April 22—Yenan falls to the Communists

May 5—Major General David Barr advises Chiang either to attack or get out of Manchuria

June—*China Monthly* prints Kohlberg article, "Stupidity and/or Treason," attributing to "greatest living American" the statement that American foreign-policy difficulties spring from stupidity at the top and treason just below

June 10—Kohlberg testifies before Senate Appropriations Committee conducting foreign-aid hearings

September 23-24—Tsinan, capital of Shantung Province in east China, falls to Communists

October—Ex-Senator D. Worth Clark (D., Idaho) sent to China by Bridges's Senate Appropriations Committee

October 18—60th Army of Nationalists' Changchun garrison in Manchuria surrenders

By October 31—All Manchuria lost to Communists; Mukden, leading industrial city, occupied by Reds

November 12—Bridges urges special session of Congress to speed China aid

November 14—Battle of Suchow rages; Nationalist positions all through north China seem untenable

December—Archbishop Paul Yu-Pin of Nanking, intimate of Generalissimo and Mme. Chiang, arrives in U.S.

December 1—Communists occupy Suchow, northern Kiangsu rail junction guarding approaches to Nanking

December 25—Government troops evacuate Kalgan, major center of Nationalists in north China

December 31—Chiang offers to step aside for peaceful settlement of Nationalist-Communist disputes

1949

January 6—Bullitt, back from China, reports to Joint Committee on Foreign Economic Cooperation, calls for further economic aid to Nationalists

January 15—Fall of Tientsin, industrial center and last remaining Nationalist stronghold in north China

January 21—Chiang announces retirement from Presidency; Acting President Li Tsung-jen takes office; Dean Acheson becomes U.S. Secretary of State

January 22—Peiping falls; renamed Peking

February 25—Senator McCarran (D., Nevada) introduces bill for \$1.5-billion military and economic loan to China

March—China Emergency Committee formed; Frederick C. McKee, Pittsburgh businessman, chairman

April 14—China Aid Act of 1948 extended; Bridges urges investigation of China policy

April 19—Nationalists reject Communist demand to sign peace draft
 April 20—Communists cross Yangtze River, occupy Nan-king, former Nationalist capital
 May 3—Chennault urges Senate Armed Services Committee to authorize minimum program of \$700 million a year for holding action against Chinese Communists
 May 16-17—Communists occupy Hankow
 May 25—Shanghai falls to Reds
 May 26—W. Walton Butterworth nominated as Assistant Secretary of State for Far Eastern Affairs; Senate Republicans say Butterworth had a hand in "bankrupt" policy
 June 2—Tsingtao occupied
 July 2—Senator William H. Knowland (R., California) calls for military mission to China
 July 11—William J. Goodwin, hired by Chinese News Service as press consultant, registers as lobbyist
 July 31—Manchurian Communist authorities sign trade agreement with U.S.S.R.; Communist China now has population of 280 million and area of 1,300,000 square miles
 August 5—State Department White Paper, *U.S. Relations with China*, published
 August 8—David B. Charnay (president Allied Syndicates, later Allied Public Relations) hired by Bank of China for public relations; Congressman Judd calls for complete housecleaning in State Department
 August 25—Congressman Mansfield (D., Montana) calls for investigation into use made of funds appropriated for China; suggests much has been used to finance attacks on State Department
 September 20—Communists acquire big Inner Mongolian province of Suiyuan when its governor, General Tung Chi-wu, decides to throw in with Reds
 September 25—Communists claim control of Ningsia, westernmost province of Inner Mongolia
 October 2-5—U.S.S.R. and satellites (and Yugoslavia) recognize People's Republic of China
 October 14—Canton abandoned by Nationalists
 October 26—McKee organizes Committee to Defend America by Aiding Anti-Communist China (China Emergency Committee dissolved in May, 1949)
 November 25—Knowland and Chennault confer with Chiang in Chungking
 November 30—Chungking falls to Communists
 December 7—Acting President Li Tsung-jen arrives in New York for medical treatment



December 8—Nationalists abandon Chinese mainland, move capital to island of Formosa
 December 18—Chennault and partner Whiting Willauer buy Chinese government's interests in two Chinese airlines, C.A.T. and C.N.A.C.
 December 22—Joint Chiefs of Staff advise no U.S. occupation of Formosa but agree to send large staff
 December 30—India recognizes Communist China

1950

January 5—Mr. Truman announces U.S. will take no military measures to protect Formosa; Acheson says Chinese government had or could buy all military equipment needed, but lacked will to resist; Britain recognizes Communist China
 January 8—Mme. Chiang broadcasts farewell speech from U.S. before joining Chiang on Formosa
 January 11—Taft in Senate charges that State Department's China policy "has been guided by a left-wing group"
 January 12—Acheson in National Press Club speech reaffirms "hands-off" policy for Formosa
 January 14—Chinese Communists seize U.S. consular property in China; consular officials are recalled
 February 9—Senator Joseph McCarthy (R., Wisconsin) speaks in Wheeling, West Virginia, on Communist infiltration of State Department; Far Eastern Economic Assistance bill assures continued aid to Formosa
 February 22—Senate Foreign Relations subcommittee directed to investigate McCarthy's charge about Communists in the State Department
 March 1—Chiang resumes Presidency of Nationalist China; Acting President Li in New York denounces Chiang as dictator
 March 3—Kohlberg writes to Kung and Soong about *Newsweek* article and urges that they authorize Treasury to disclose their financial holdings in U.S.
 March 26—McCarthy calls Lattimore "top Soviet spy" in U.S.
 March 27—Bridges starts "get-Acheson" campaign
 April 17—Governor K. C. Wu in Formosa says U.S. could save China with \$10 million monthly
 April 20—Ex-Communist Louis Budenz calls Lattimore a Communist
 April 25—Hainan Island falls to Communists
 May 1—Ex-Communist Freda Uteley denounces Lattimore as "Judas Cow"
 May 10—Kohlberg-Kung-Soong correspondence put in Congressional Record by Knowland
 May 28—The Chinese Nationalists surrender Ladrone Islands to the Communists
 June 9—Formosa announces T. V. Soong has quit Central Executive Committee rather than return to Formosa from New York
 June 25—North Koreans invade South Korea
 June 27—Truman orders U.S. air, ground, and naval forces to repel attack; orders Navy to defend Formosa



and prevent Chiang's forces on Formosa from attacking mainland

June 30—Chiang offers 30,000 troops for Korea

July 31—Chiang and MacArthur meet on Formosa

August 15—Communists take two islands off Fukien

August 28—MacArthur declares Formosa essential to American defense

September 12—Secretary of Defense Louis Johnson resigns; replaced by Marshall

October 2—First issue of the *Freeman* appears, financed in part by Kohlberg as a successor to *Plain Talk*

October 3—Bridges charges State Department plot with Britain to give Peking seat in Security Council; State Department denies the charge

November 6—MacArthur officially reveals Chinese Communists' entry into Korean War

November 23—In Formosa Senator Knowland says neutralization of Formosa should be lifted, aid given to Chiang to help guerrilla fight Chinese Communists on mainland

1951

January 14—Dr. Hu Shih advises use of Chiang's help against "Stalin's grand strategy for world conquest"

April 5—House Minority Leader Joseph W. Martin discloses MacArthur letter endorsing use of Chiang's troops to open second front on Chinese mainland

April 11—Truman dismisses MacArthur

April 19—MacArthur addresses Congress

May 3—MacArthur hearings begin

May 9—Freda Utey's *The China Story* published

May 14—Ending Senate testimony, Marshall says Chinese Nationalists were beaten by Reds because of poor officers, lack of public support, and "the character of government"

May 18—Assistant Secretary of State Dean Rusk indicates changes in U.S. China policy; speech taken in some quarters to mean U.S. would back Nationalists to revolt and would have no dealings with Reds even in peace talks; Acheson denies policy shift

June 7—Senator Wayne Morse (R., Oregon) charges that the "China Lobby has for several years been conducting a violent campaign against American policies in China"

June 9—William Loeb, president of the American China Policy Association, says Administration is "bluffing" when it demands investigation of his organization

June 11—Frederick McKee denies his group got any support, direct or indirect, from any Chinese source in U.S. or abroad; Wedemeyer's testimony supports MacArthur

June 14—McCarthy speaks in Senate for two and three-quarter hours attacking Marshall as supporter of Administration Far Eastern policy contrived to weaken U.S.; ex-Secretary of Defense Louis Johnson testifies that it was Acheson who recommended U.S. intervention in Korea and that no high military figures in Washington opposed the intervention

June 20—Hurley criticizes Acheson for "appeasing" Communists, calls Yalta Agreements "immoral and cowardly"

June 25—MacArthur hearings end after fifty-four days

July 14-15—Governor Dewey visits Formosa, sees Chiang

July 25—McCarran's Internal Security subcommittee begins hearings on "subversive" influences in U.S. foreign policy

August 7—\$307-million aid program to Nationalist China proposed by Administration

August 22—Ex-Red Budenz says Reds used Institute of Pacific Relations

September 14—Wedemeyer, in *U.S. News and World Report*, says Chiang's troops could be effectively used by U.S.

September 19—Wedemeyer tells McCarran subcommittee that State Department advisers Davies, Service, and Raymond Ludden were anti-Nationalist during war in China

September 23—Budenz tells McCarran subcommittee that Henry Wallace, influenced by John Carter Vincent and Lattimore, followed Communist line on his China mission; Truman releases Wallace's 1944 reports urging aid to Chiang

September 27—McCarthy before Senate Foreign Relations Committee attacks Ambassador-at-large Philip Jessup for "subversive" associations

October 6—Joseph Alsop, in open letter to McCarran, says Budenz lied about Wallace's 1944 mission

October 9—Judd, at fortieth anniversary dinner for Republic of China, says Roosevelt and Acheson caused spread of Communism in China

October 18—American Legion Convention demands reorganization in the State Department

December 5—Ad for Freda Utey's *The China Story* quotes General MacArthur as recommending it to "those who are interested in knowing the truth"

1952

January 21—Lieutenant General P. T. Mow and Colonel V. S. Hsiang, accused by Formosa of misusing funds, file libel suit in Washington court

February 12—Taft asserts invasion of mainland by Chiang "might snowball rapidly," sees 600,000-man army "begging to be sent to do the job"

March 18—U.S. to double Military Assistance Advisory Group on Formosa (now 360 officers and men)

were doing there, and I decided we didn't have to worry about Russia; they don't deliver the goods. I wasn't at home in the world of ideas. I didn't realize that people could be moved by ideas and not by results."

After twenty-five years of business dealings in China, during which he had made some thirty-five trips to that country, Mr. Kohlberg had become known by the time of the Second World War as a man who could be counted on for help to the Chinese cause. He was an active member and supporter of the Institute of Pacific Relations, and in 1943 he made another trip to China as chairman of the executive committee of the American Bureau for Medical Aid to China. "I saw funny things happen. I heard lies put out by the [U.S.] Embassy. I believed the lies myself until I went out in the field and heard the truth."

Specifically, Mr. Kohlberg heard that Chiang Kai-shek was stockpiling Lend-Lease tanks and guns for future use against the Communists instead of using them against the Japanese. He reported this to Brigadier General Thomas S. Arms, who was in charge of General Stilwell's infantry school at Kunming, and was told that munitions from the United States were delivered to Stilwell, not to Chiang Kai-shek. "That was in August, 1943."

It should be noted that this was the time of one of the periodic crises between General Stilwell and Generalissimo Chiang. Stilwell was training a Chinese army at Kunming with inadequate supplies flown over the Hump. Chiang was objecting to Stilwell's plan to attack the Japanese in Burma; he was arguing for arms for his own forces

and insisting that he would know how and where to use them. Stilwell was pressing Washington for more supplies while the Chinese, Chennault's air force, and even his own forces accused him of niggardliness in distributing the supplies on hand. At the same time, Stilwell was complaining in his diary of Chiang's failure to supply him with promised reinforcements, of delays in getting promised mortars from Chiang, of the thefts of army payrolls by Chinese unit commanders. In this atmosphere of complaint and countercomplaint, no doubt there were exaggerations. What Mr. Kohlberg saw was a Communist plot. Perhaps the Chinese helped him see it.

'Narrow Militancy'

"When I came back to see Cordell Hull, he sent me to Stanley Hornbeck, who was chief of the Far Eastern Division of the State Department. Hornbeck said that when he saw the people the Department was sending to China he shook in his shoes." [Hornbeck's version is less colorful. He says that he was indeed distressed by the many Americans with no knowledge of China whom the government was at the time using to staff its multiple agencies in China. Among so many people, he added, undoubtedly there were a few Communists or Communist sympathizers.]

"I soon saw that the center of the conspiracy was the Institute of Pacific Relations, to which I had contributed time and money. The I.P.R. people had infiltrated the State Department, the owl, Commerce, the Treasury, and the intelligence services of the armed forces. There were between a hundred and

two hundred I.P.R. people in the Far Eastern divisions of government departments. I also found out that their so-called scholarly studies coincided with the Communist line. I spent six months of 1944, four hours a day and some Saturdays and Sundays, at the public library, studying the I.P.R. publications for the last seven years. So I tried to clean out the I.P.R. Instead they cleaned me out."

Mr. Kohlberg's efforts to clean out the I.P.R. went on from 1944 to 1947. They began in 1944 with an eighty-eight-page pamphlet designed to show the parallels between the Communist line and the writings in I.P.R. publications, and culminated in March, 1947, with his proposal to the Institute's trustees of a resolution that the I.P.R.'s entire treatment of China be investigated. The Institute probably made a mistake in not taking Mr. Kohlberg seriously enough at first. When it got around to answering his charges in detail, it was able to show omissions and distortions in his quotations and to point to many instances in which it had presented two or more sides of a controversial subject. Mr. Kohlberg, according to "a long-time friend" quoted by Irene Kuhn in her article in the *Sign*, "doesn't make the mistake of being a liberal who dilutes his views. He has a kind of narrow militancy about them that strengthens them beyond measure."

"There were pro-Communists not only on the staff level," Mr. Kohlberg went on, "but on the Board of Trustees and the executive committee of the Board of Trustees. In the vote on my resolution, in April, 1947, no trustees voted for my investigation." Who were



the pro-Communists on the Board of Trustees? Mr. Kohlberg thereupon proceeded to associate the following names: "Lauchlin Currie, Frederick Vanderbilt Field, Mortimer Graves, Edward C. Carter, Harriet Lucy Moore, Len deCaux (he was kicked out of the cro when they cleaned out the Communists), Owen Lattimore, Ben C. Kizer, Maxwell Stewart—maybe there were some others but that's all I can think of right now. They got rid of Field later, and they got rid of Carter in part later, although he's still a trustee. Oh, yes, another pro-Communist was Philip C. Jessup."

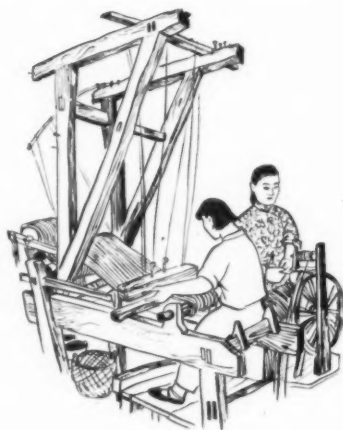
Neither Mr. Jessup nor two of the others named by Mr. Kohlberg were on the Board of Trustees of the I.P.R. in April, 1947. Of the fifty-seven-member board, that left fifty "non-pro-Communist" trustees who saw no sense in Mr. Kohlberg's resolution.

Having gotten nowhere with the trustees of the I.P.R. or with its members, who subsequently gave him sixty-six proxies against 1,163 in a vote on whether or not to conduct the investigation he had proposed, Mr. Kohlberg resigned from the I.P.R. and went to work with his own organization, the American China Policy Association. Its mailing pieces are printed in the basement of his importing house and go through his firm's mailing machines. "To that extent, I guess you'd say I support it."

For four years he also supported the small, shrill magazine *Plain Talk*, whose editor was Isaac Don Levine. *Plain Talk* was discontinued in 1950, shortly before the appearance of the *Freeman*. Mr. Kohlberg has described himself as "one of the supporters" of the *Freeman*.

"You know, Lattimore wrote a book called *Ordeal by Slander*," Mr. Kohlberg remarked. "I'm slandered all the time and I don't find it any ordeal. Maybe I'm not publicity-minded. I'm surprised I get so much attention. All I did was to write a few letters to the press, to Congressmen, and to people on my mailing list."

The reporter asked Kohlberg what he thought of Senator McCarthy. "McCarthy's a great guy. Practically everything he said will be proven. What I gave McCarthy was what I'd been sending to the newspapers over the years." He was asked about his statement that McCarthy was the only man



"with guts enough and dumb enough" to do what he did. "By dumb enough, I meant that there were others who knew more but were too smart politically to put themselves out on a limb. But maybe McCarthy was not so politically dumb after all. I said that back last April."

Seeing Red

Mr. Kohlberg never betrays a glimmer of doubt as to the righteousness of his campaign, which is against not only Communism, or even chiefly against Communism, but against those Americans who in his personal opinion have aided the Communists in one way or another. His thesis, a simple one, he has summed up substantially as follows, to the student previously quoted:

There is a Great Conspiracy aimed at the destruction of the United States. Its method is to say "Europe first" in order to throw away Asia, then to do something about Asia only after it is too late, thus throwing away Europe as well. (Kohlberg does not appear to consider that the "Asia Firsters" could, with equal justice, be accused of the same strategy in reverse.) Recruiting for the Great Conspiracy has been going on for years. Its main tools are Communist ideology and heavy bribes; \$20 million a year is spent on buying members and operating the ring, says Mr. Kohlberg with conviction. During the Second World War the Great Conspiracy worked to deliver Asia to Russia. The personnel selected for government agencies in the Far East was picked from a roster of "experts" made up by the Council of Learned Societies under the direction of Mortimer Graves.

Mr. Kohlberg, of course, has a foreign policy of his own and has sent it to Congress. It calls for:

1. Congressional declaration of a state of war with Communist China.
2. Limiting unrestricted trade relations to those nations which agree to a mutual armed-aid pact against Communist nations.
3. The granting of armed assistance to all nations that join in such an agreement ("no question of the form of government of nations entering such an alliance, whether free-enterprise, democratic, monarchical, dictatorial, socialist, or otherwise").
4. Immediate breaking of diplomatic relations with all Communist nations.

Korea Explained

Mr. Kohlberg would also like to bring the "reliable men" back into the State Department and make "some good man like Walter Judd" Secretary of State. He offers a simple solution for rescuing China: "What Russia did, we could do in reverse, and we could do it in shorter time."

Q: "How would Chiang Kai-shek get the men?"

A: "How do you get men in China? You take 'em. I doubt if a private ever enlisted in China. You get 'em by conscription. That's the way they've always been taken, by the war lords, by the Nationalists, and by the Communists. Chiang has got more troops now than we've armed. We can reverse the process of Russia and do it faster because we can make the things to do it with faster than they can. Then there won't be any World War III because Soviet Russia won't be big enough. They'd never risk a war with a hostile China on their frontier.

"It's all right to call things mistakes, but if a mistake causes one hundred thousand casualties it becomes expensive. If we hadn't let China go Communist, we could have written the ticket out there, and then there wouldn't have been a war in Korea. I don't know why they started the Korean War—it wasn't on Stalin's program—unless it was cooked up."

"Cooked up with whom?"

"Cooked up with us," said Mr. Kohlberg, eying his interviewer suspiciously. "The Russians were out of the U.N. at that time, and they had to have some way to get back in."

In Conclusion...

IT IS STRANGE, but it is a fact: In this day and age there still seems to be something indecent about the mere presence of foreign lobbies in our country. Our government has power of life and death over practically every country in the non-Communist world; not only Cabinets but constitutions may survive or fall depending on the amount of economic and military aid that Washington grants. Any foreign government is derelict in its duty if it does not state its case as convincingly as it can to the people of the United States—particularly, in these times of Congressional supremacy, to the men who make the laws.

Just as every government that expects something from us has its lobby over here, we have a lobby in every country where our interests are at stake. Effective lobbying is aimed where the power lies—sometimes at the Executive, sometimes at the legislature, sometimes, before a crucial election, at the people themselves. A few weeks ago an American ambassador lectured Greek politicians on the advantages of the two-party system; whenever there are Italian elections—and they are invariably crucial—American citizens of Italian descent are asked to write their relatives and tell them how to vote. The destinies of nations have become so intermeshed that the conduct of foreign affairs can no longer be monopolized, though it must be controlled, by Foreign Offices or Departments of State. This means lobbying, official and unofficial.

Congress, which should know everything there is to know about foreign lobbies, got around to recognizing their existence some years ago, when, following its fashion in dealing with unsavory things, it ordered all lobbyists to register. A few years later, it dealt with Communists the same way. Congress as a whole is still sour on all foreign lobbies, but quite a few Congressmen make generous exceptions in favor of some lobbyists.

With all the lobbying that is being done by foreigners here and ourselves abroad, there seems to be no reason why people should be squeamish about admitting that such a thing as a China Lobby exists—

squeamish to the point that most publications still bracket the phrase chastely in quotation marks. If the Kuomintang didn't have a lobby here, there would be something radically wrong with it. As a matter of fact, there is something radically wrong with the Chinese Nationalist government—not that it carries on lobbying, but that it is little but a lobby.

Since the beginning of the war, the weakness of the Kuomintang on its home grounds has been offset only by the strength it has built up in Washington. It has always lived on credit with no collateral. Its leaders, lacking a real constituency among their own people, have been able to count mostly on their American constituency. This has put the China Lobby in a category all by itself, for it has always represented not a great nation but a régime playing at being a great power.

Nothing Short of War

Since the China Lobby was reassembled here after Mao's victory, it has had to exert pressure on Congress, on the Executive, on public opinion, to get dollars and weapons in almost unlimited quantity. Yet not even billions or arsenals can satisfy it. Actually, nothing can, short of total war—a total war against international Communism that the United States has to start in the shortest possible time, for Chiang's position on Formosa is tragic, and his shrunken army has to reconquer a nation of nearly five hundred million people.

Never has there been a government that has asked so much of another. Yet the China Lobby has a formidable weapon in its hands: Since the alternative to Chiang is Mao, anybody in America—State Department official or private citizen—who is not for Chiang's restoration can be called a Red. Of course the China Lobby has money—a lot of it—and, particularly in the case of its Chinese agents, the resourcefulness that comes with despair. But what has helped most is the Red issue, which was first raised when the American people had grown aware

of the Communist danger and were being overwhelmed with exposés on how the Communists had worked in America a few years before.

THERE ARE men possessed by a craving to detect conspiracies, hunt down suspects, and then wring confessions from those they have suspected. Almost invariably, these self-appointed vigilantes are those ex-Communists whose anti-Communism has become an obsession and a profession. Sometimes they find sponsors or employers whose anti-Communism comes from the urge to find a single cause for all the ills of the world. The professional ex-Communists serve their new masters as they did their old—with the same frenzied devotion, the scheming mental processes of the Communist mind. There is no other way they can think or, for that matter, live. They can't help suspecting everybody, planning purges, demanding confessions. *They* have confessed: Why doesn't everybody else?

The Uprooted

These poor displaced people who, having gone through Communism, have lost their taste for a free society, cannot be at peace with themselves and cannot leave their fellow citizens in peace. Some of them have tried vainly to find a home and an occupation. The China Lobby offers them both.

The China Lobby asks every American to choose, and choose quickly, between Chiang and Mao and then to act accordingly, forgetting all else—what is happening in other parts of the world and what might happen to our own country should we plunge into all-out war against Red China. The Communists are masters of the black-and-white, either-or technique, and the professional former Communists have not lost that skill. Their fanaticism, which became aimless when they left the party, can, thanks to the China Lobby, help accelerate a train of events. Marxists always like to move in the van of history, like men who feverishly run up the steps of an escalator. Since the Chinese disaster, the invasion of North Korea, and the intervention of Red China, the train of events has seemed unmistakable. It leads to war; but to make the inevitable come sooner, the Lobby operators will stop at nothing.

There are men in America who know how to do the job—by no means all former Communists. But the refugees from Communism provide the techniques and the brains. Now, under the most respectable auspices, they can practice the subversion they could never successfully apply as Communists. They can work their way into some legal institutions — like Congressional committees — and pound at civil rights or stretch the statute of limitations with seeming respect for due process of law.

Actually, now for the first time America has been poisoned by Communism, and the men who unknowingly administer the poison are those very men who, under the glare of publicity, denounce it. They make the China Lobby—so different from all other foreign lobbies—the nearest thing to an effective Communist Party our country has ever had. There is no other outfit to which the China Lobby can be compared, with its hard core of fanatical, full-time operators, its underground, its legion of naïve, misled fellow travelers, its front organizations, and its foreign officials, in Washington with diplomatic immunity, who dutifully report to central headquarters. On a larger scale, the China Lobby is very much like the American Communist Party of the 1930's. Of course, people whose idealism or naïveté has been exploited by the Lobby or its fronts should not be blamed for the Lobby's misdeeds—unless one follows the prevailing theory of guilt-by-association.

What Has to Be Said

In our country, all conflicts of ideas and interests reach a high pitch every four years. Our way of electing a President, for all its circus features, is an exceptionally healthy thing. It is a sort of mock civil war, in which the citizens exercise their political militancy and then politics quiets down.

During the last two years the life of the nation has been deeply disturbed by subversion and corruption. No cause of disturbance has been greater than the China Lobby. These have been weird years, years when things have happened that we must remember for a long time and never let happen again. There have been moments when this alliance of fanatic conservatives and incurable revolutionists, united under the auspices of Nationalist China, seemed rather close to remolding the politics of our country on a Chinese pattern—with war lords on parade and thought control on the rampage.

One of the most astonishing things about the China Lobby is that, as far as one can find out, it has no leaders, only mouthpieces. Yet they have been strong enough to cramp our national leadership. From now till election, can our nation get all the poison it has absorbed out of its system?

THE ANSWER is, of course, up to the people. But the men who have advanced their claims to leadership must show their mettle well before Election Day. This applies, of course, particularly to Eisenhower. Will he say, when the time comes, that he recognizes subversion when he sees it, Communist or anti-Communist, and will have no truck with the mouthpieces of the China Lobby—even if they happen to be U.S. Senators?

The Candidate From Marly Forest

THEODORE H. WHITE

MARLY FOREST, FRANCE
THE smoldering excitement of the Presidential campaign, which was tamped down so diligently here at Eisenhower's headquarters for so long, has now broken through the surface of lofty disinterest.

The subject is still officially forbidden, as it has been for over a year. Ike himself transfixes indiscreet questioners with a cold-blue stare that congeals and abruptly ends any interview in which the subject of his candidacy is raised. But in the past few weeks the atmosphere has changed sharply. His officers no longer shrink when correspondents mention American politics. It has been frankly recognized that the General is in politics up to his neck, and that he will leave this post soon, probably in late May or early June.

The precise moment of change can now be fixed as the weekend following the New Hampshire elections, when on a single Saturday Ike found himself playing host in turn to Lucius Clay, Robert R. McCormick, and Paul Hoffman. McCormick's visit was purely ceremonial, but Clay and Hoffman, two of Eisenhower's three chief lieutenants in American politics, got down to bedrock campaign tactics.

Until that weekend, Eisenhower had made a determined effort to keep his political and military lives in separate compartments. None of the eminent generals and admirals who see him daily on vital problems of western defense know any more about his political plans than they see in the newspapers. His personal political council, if it can be called that, consists of a close-knit

handful of old and trusted friends who reside in or near Paris, or who travel back and forth between Paris and the United States. The most important, until his recent illness, was Major General Wilton B. Persons, who was Eisenhower's Congressional liaison man when he was Chief of Staff. The others, in their probable order of importance, are Cliff Roberts, a Georgia businessman (Coca-Cola) and a family adviser to Eisenhower on investment problems; William E. Robinson, an executive of the New York *Herald Tribune*; and Kevin McCann, author of *Eisenhower's Creed*, who is now in Paris and was formerly Eisenhower's aide at Columbia. It is with these men, in the privacy of his home in Paris, that the General has talked politics.

Ike's Triumvirs

None of these men are professional politicians, but all of them sense the need for surer and more skillful liaison with the Eisenhower movement at home. So far as is known here, only three people at home have direct authority to speak for Eisenhower in politics. One is Senator Henry Cabot Lodge, the official chief tactician of the pre-convention campaign. The second is General Lucius Clay, who for the past six months has provided official liaison between Paris and politics at home. Clay is also the unofficial money raiser for the campaign. The third is Paul Hoffman, who requested leave of absence from the Ford Foundation to head the Citizens for Eisenhower organization. Contact between these three and Eisenhower has been loose. Lodge



last saw Eisenhower in the summer of 1951. Clay, until his weekend visit, had talked with Eisenhower only once in five months—at the funeral of King George VI in London last February. During their recent visits both Clay and Hoffman tried to impress Eisenhower with the hard facts of political life.

The Eisenhower boom in the United States has so far been operating pretty much on its own, and the efforts have been largely those of amateurs. Eisenhower is still determined that so long as he is at SHAPE, he will devote all of his waking efforts to the organization of western defense, but he has also been much annoyed by the personal ambitions and greed of some self-appointed spokesmen who have found their way into the present loose coalition of those who like Ike in the United States. The need for an effective organization to channel the groundswell of pro-Eisenhower sentiment across the country is by now quite clear at his headquarters, and the appointment of Paul Hoffman to head the citizens' movement, leaving Lodge free to work directly with delegates to the Republican convention, was surely calculated to meet that need.

Eisenhower probably will not have a majority of signed and sealed votes when the convention opens. Hoffman's job will be to concentrate intense popular pressure on the sizable majority of uncommitted delegates.

The advisers who have urged Ike to change his mind about coming home nevertheless feel that he must honor his pledge not to engage in seeking the

nomination, and they want him to come back only after the last of the primaries in which his name is entered. The earliest date would be May 15; others feel that June 3 (after the California primary) would be better.

The General's own evaluation of the situation here at SHAPE is probably as important as any political consideration in determining when he will return. In the past year his work has been mainly recruiting and planning. In this time, the number of combat-ready divisions has almost tripled and a skeleton chain of command has been set up. What remains to be done is the vitally important but necessarily tedious job of building up the reserve base—training reserve divisions, filling the pipelines and warehouses with supplies, and completing military airfields. But this is largely a matter of bookkeeping. There is, of course, the European army project hanging fire, and Eisenhower is deeply involved in that enterprise. In a few more weeks, however, that too should be settled. By late May or early June, the job here should be in such condition that, in clear conscience, he could return to the United States. A number of attractive speaking engagements have been offered to him at that time. He has not definitely said "No" to any of them.

Conflicting Duties

It is extremely difficult to describe the Eisenhower campaign strategy without examining the personality and feelings of the General himself. Eisenhower made his first commitment to run for the Presidency in 1949. When he accepted the SHAPE job, he informed his friends again that he would not let them down if they insisted on entering him in the race. The commitment was fully given last January 7, when he proclaimed that he was a Republican. Since then, he has been drawn day by day into a political atmosphere which is generally foreign to his nature.

Early this winter a dinner partner quoted him as saying, "The two worst things in America are the Democratic and Republican Parties." His views have changed since then, and a more recent visitor described him thus: "He is, in a way, almost schizophrenic—his frontal lobes say, 'No, no, don't get involved in this muck!' and his rear lobes say, 'Yes, yes, you've got to go through with it now!'"

He now feels a duty to his friends not to let them down. He also recognizes an even greater duty to his current job, the organization of western defense, which he understands as the defense of all civilization. These conflicting duties perplex him. His irritation at visitors who press him about politics is as much an expression of inner turbulence as of anger.

All this is not to say that Eisenhower is naïve. He dislikes Taft intensely; he has been deeply upset by the scandals and corruption of Washington; he believes, in his own words, that "It's time to clear the courthouse." He is also capable of shrewd assessments of the mood at home. Eisenhower was calm when most of his advisers back home panicked and insisted that he return for the New Hampshire primary. The General's friends at SHAPE also point out that, so far as they know, he has made no commitments to anyone. Eisenhower will run unbound by ties or promises; he will enter the convention, one admirer has said, as "Mr. America running against Mr. Republican."

Despite the pressure on Eisenhower, from friend and foe alike, to get out in the open politically, one of the most remarkable of his achievements is the way he has continued to devote his energies and personality to the job in hand. He receives innumerable visitors and gives lavishly of his time. But al-

most all of the visitors are men involved in shaping western union.

Personally, and despite his inner perplexity, the General is in fine shape. His skin is salmon-pink, his step bouncy, his personality—particularly since New Hampshire—contagiously buoyant. His daily routine remains unchanged. He is up at 7 and at the office between 8 and 8:30. His appointments are overwhelmingly staff appointments, with a high admixture of men of state, generals of subordinate commands, and visiting delegations. He is home by 5 or 5:30. Bridge in the evening, golf on the weekends (much rarer lately), and painting on Sundays are still his relaxations. In the past few months he has done most of his entertaining at lunch, dodged social evenings in Paris as much as possible, and gone to bed shortly after dinner, usually at 9:15. He seems to sleep well.

A reading of his calendar shows that until his week-end visits from Hoffman and Clay he had had only two political conversations with outside visitors since the first of the year—the conversation with Clay in London in February, and a short talk with State Senator Malcolm Forbes of New Jersey, who stressed the need of television appearances in the preconvention period.

Briefing Stassen

Those who have been anxious to jump on the band wagon have used a number of ways to get through to the General, including the transatlantic telephone. Most of these calls have arrived in the middle of the night, between eleven and two. They get the standard reply that since there is a security risk in using the transatlantic phone, important matters cannot be discussed.

Perhaps the best-known freeze is the one Harold Stassen received. Stassen, after a social lunch, requested time for a personal chat with the General. Eisenhower made it clear he did not want to talk politics, but Stassen insisted, and rambled on at length about his own political plans. Eisenhower listened unsmiling, and when Stassen had finished he said, "Mr. Stassen, has anyone briefed you on the organization of SHAPE?" He then proceeded to tell the precocious statesman in exquisite detail all about the labyrinthine complexity of councils, boards, commands, and standing groups that make up NATO. The talk ended right there.



The Likable Man With the Bad News

VANCE JOHNSON

WASHINGTON
AN IRONIC FACT about these irritating days is that the man who has at times been responsible for some of the worst news from here since the war is an amiable, convivial public servant named Ewan Clague, who shrinks from unpleasantness as instinctively as the night-blooming cereus shrinks from the sun.

Clague is an industrious fifty-five-year-old economist who has risen from the bureaucratic ranks to become U.S. Commissioner of Labor Statistics—that is, chief of the Labor Department's Bureau of Labor Statistics (BLS).

This is a spirited, cohesive agency devoted to collecting facts about prices, wages, working conditions, and numerous other matters. These are published periodically in precise tabular form and are widely used by industry, labor, and other government bureaus.

In other times, running BLS would be an almost ideal job for a man of Clague's scholarly background and inclusive interest in people. It so happens, however, that one of BLS's more important publications is the Consumers' Price Index, once known as the Cost of Living Index. This is a study designed to trace from month to month the ups and downs in prices consumers pay for goods and services. (Income taxes, however, do not enter the calculations.)

Mrs. Clague on Prices

Unfortunately, there have been practically no downs in prices for a year and a half. According to BLS, American workers now have to pay \$190 for things they could buy in 1939 for \$100. A bag of groceries that cost ten dollars then costs twenty-four dollars now. Clothing and housefurnishings that could be bought for fifty dollars then come to more than a hundred

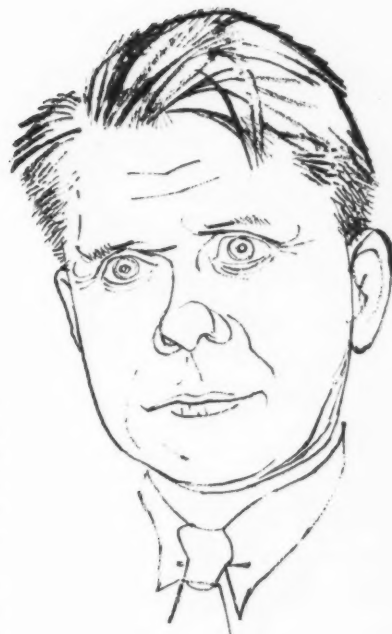
dollars. The Consumers' Price Index has risen about ten per cent since the outbreak of war in Korea. A great many people are convinced, however, that the spread is even greater than this—and not the least of these is Mrs. Ewan Clague.

"The cost of living in the Clague household," says the commissioner's otherwise loyal helpmeet, "certainly has risen faster than the Consumers' Price Index says it has."

Suspicion that BLS is not telling the whole truth has not been allayed by developments in the field of labor-management relations. The one that has caused Clague most concern is the phenomenal popularity of a collective-bargaining arrangement known as the escalator clause.

Popularized in 1948 by General Motors and the United Automobile Workers (CIO) as a means of avoiding annual conflicts over wages, the escalator clause provides for an automatic upward or downward adjustment of wages every three months according to fluctuations in the Consumers' Price Index. Since Korea, scores of other companies and unions have emulated the G.M.-UAW contract; more than three million industrial workers are known to be covered by such contracts, and the figure may be much higher than that. Since October, the Wage Stabilization Board has allowed wage increases provided for by escalator contracts to go through automatically—without the board's approval.

Most escalator contracts provide for a change in wages of one cent an hour for each change of about one point in the index. A House labor subcommittee has calculated that a rise of a single point adds at least \$60 million a year to the earnings of the three million workers known to benefit from escalator pro-



Ewan Clague

visions. So many people thus have acquired a vested interest in the index that Clague finds himself one of the most closely watched officials in the government.

Storm over Statistics

Throughout the Second World War, the big labor unions contended that BLS failed to tell the truth about "run-away prices." Impartial observers have concluded since that labor was disturbed not so much about the index as about the Little Steel Formula, which was based on it and which limited wartime wage increases. At any rate, the complaints of labor generated a long series of investigations of BLS and the index.

The American Statistical Association, a special Presidential committee, and other authorities all generally vindicated BLS and confirmed the essential accuracy of its index. When price and wage controls were removed in 1946, the clamor quickly subsided.

Nevertheless, the then Secretary of Labor, Lewis Schwellenbach, concluded that under the smoke there was bound to be some fire. When the Statistics Commissioner's job became vacant in the summer of 1946, he went in search of a man—one, he told his friends, who had a scientific reputation and had no ties with labor, business, or

a political party—who could put BLS back in labor's good graces.

Schwellenbach turned first to Edwin E. Witte of the University of Wisconsin, who had served on the War Labor Board. Witte had no desire to leave Wisconsin for another job in Washington, but he told Schwellenbach he had just the man for him—a scholarly and personable Wisconsin alumnus named Ewan Clague, with six years' experience as chief of the Bureau of Employment Security in the Social Security Board.

'An Acceptable Approximation'

Clague tackled the job with great vigor. He invited industry, labor, and the American Statistical Association to appoint advisory committees to help him locate the bugs in the Consumers' Price Index.

"A great many factors enter into changes in the cost of living," he explained, "but this index measures only one: price. It has been described as 'an acceptable approximation' of changes in the cost of living, but it never was intended to be an exact measure of all changes."

One of labor's chief wartime complaints had been about the index's "rent bias," and it was apparent to Clague that continued sampling of controlled rents in a period of booming home construction was emphasizing the understatement in the index. He planned a quick survey to get new and accurate figures and began preparations for a nation-wide study to find out what workers were buying.

The index rests on a foundation of some 225 goods and services—ranging all the way from pork chops to automobiles and from rents to the movies (and, recently, television sets)—which families of industrial and low-salaried clerical workers in large cities customarily buy. A scientific sample of the market basket, as BLS describes the food list, is priced in fifty-six large cities once a month by a sharp-eyed crew of about 150 BLS agents. The other items are checked monthly or quarterly in thirty-four cities.

When Clague went into office, a detailed study to determine precisely what goods and services should be priced had not been made since 1936, and he was sure that buying habits had under-

gone significant changes. "City families now are buying more meat, poultry, and eggs and less flour and bread than in 1936," he said. "They are buying more green vegetables and fewer potatoes; more margarine and less butter. They buy frozen foods, new chemical powders . . . and other commodities unknown or not widely used in 1936. They buy less ice and rely more on mechanical refrigeration. They spend a smaller proportion of their incomes on rent and a bigger share for recreation, medical care, and automobiles."

Economy Setbacks

His chair was hardly warm, however, before the people elected a new economy-minded Republican Congress.

Like many another "old-line" agency, BLS had expanded vastly during the war. Clague argued eloquently that this was due to pressing needs for new economic data, but in the eyes of the Eightieth Congress he was just another bureaucratic empire builder. In 1947 it slashed BLS appropriations forty per cent, forcing Clague to fire seven hundred of his 1,700 employees. In 1948 the House ordered another forty per cent cut, but fortunately General Motors and the UAW signed their celebrated escalator contract while the Senate still had the bill under consideration. Impressed by this reliance on the index, the Senate refused to go along with the House cut.

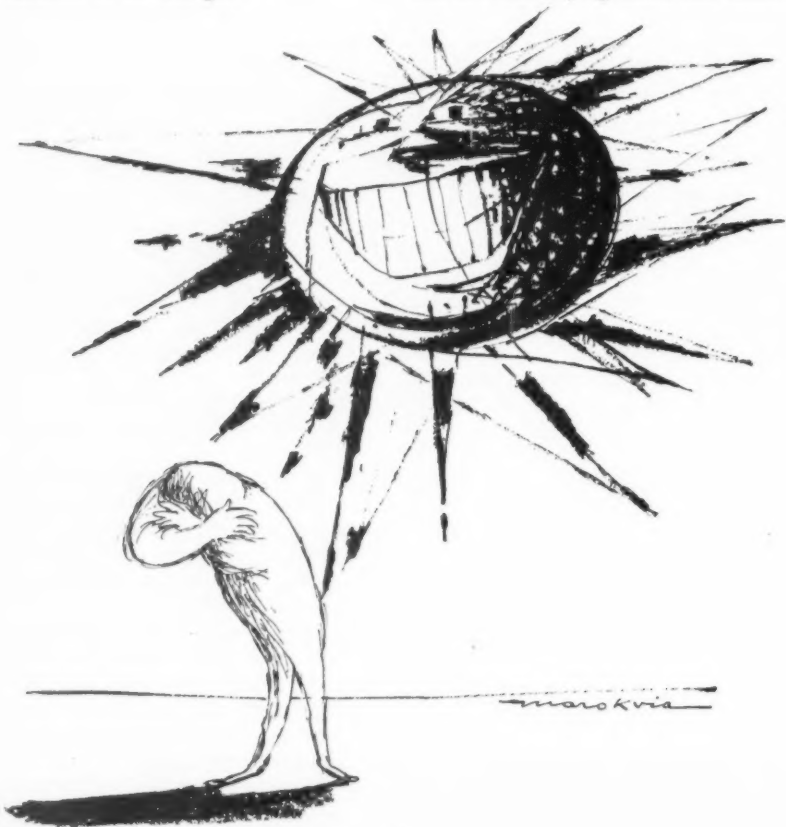
Clague published in the *Monthly Labor Review*, a BLS magazine, a series of articles explaining the temporary shortcomings of the index. Then he set out on a one-man crusade to win friends for BLS, thereby to influence votes in Congress against a repetition of the 1947 disaster.

This program was hardly under way before the Democrats regained a Congressional majority. With little urging, they gave BLS a million dollars in fiscal 1950 to finance its index overhaul, and have renewed that sum for 1951 and 1952. But Clague is still punching away, lest economy again become the watchword after the 1952 elections.

Trouble with Math

Clague's chief interest always has rested in the social sciences—or, as he puts it, in "what happens to people as the result of changes in the economy rather than in supply-and-demand curves.

"I am no high-powered statistician,"



he confesses, adding quickly: "But I have some of the best in the world working for me."

As a matter of fact, arithmetic has been a thorn in Clague's side ever since he was a boy. In high school, he says, straight "A's" in English, history, and the like came easy, but "I had to struggle to bring my math up to a 'B.'" He became an economics major at the University of Washington by accident—while shopping for acceptable alternative credits after "a tragic experience in trigonometry." As a graduate student at the University of Wisconsin he labored through statistics courses only because he realized "it was necessary to acquire some tools of the trade."

Mrs. Clague says that her husband's apparent ease with figures in his public appearances is misleading. Before a speech or an appearance before Congress he spends hours studying material brought home from the office.

This painstaking preparation and Clague's incessant vocalizing, however, seem to be having some of the effect he sought when he launched his campaign for friends in 1947. After an intensive if friendly investigation of the BLS, a House labor subcommittee recently concluded that the Consumers' Price Index is "excellent" and that it "enjoys widespread confidence among labor and management and the general public."

The index has become so important, the subcommittee reported, that it "must be regarded as a fixed charge upon the government" and therefore should not be subjected to yearly fluctuations in its budget.

Temporary Revision

Although witnesses from both the AFL and CIO complained before the subcommittee that Clague does not accept their advice as often as they like, and though they made a number of technical suggestions for improving the index, they were generally friendly. Only the United Electrical, Radio and Machine Workers of America were openly hostile—contending that the index was some eighty points too low in measuring prices paid by workers. The House committee dismissed the figures as a "combination of many dubious estimates of various kinds."

Clague confesses that one of the most compelling reasons for undertaking his wholesale revision of the index, which



began in 1949, was that the economic outlook at the time "seemed to presage a period of comparative price stability for several years."

"Revision of the index would not work to the advantage or disadvantage of any of its users," he recalls. "It seemed a most opportune and a most fortunate time to undertake a major revision."

But then war broke out in Korea, and prices shot upward again. There wasn't time to do the big job quickly enough. Clague proposed the next best thing—a temporary revision based on some spot checks of buying and such other new data as could be uncovered in other government bureaus. His industry and technical advisory committees agreed this was the thing to do, but the union committee balked. BLS ought to ride out the storm, it said, until it could be surer how greatly supplies of consumer goods were going to be pinched by the defense effort.

This was a most painful decision for Clague. He consulted with nearly everyone he could think of who was competent to express an opinion on the wisest course, finally concluding that a hasty doctoring of the index was the lesser of two evils. If it got more out of kilter, he reasoned, labor would howl even more—so in September, 1950, he pushed ahead.

The first issue of the corrected index appeared on March 2, 1951, using prices found by BLS agents on January 15. (It was delayed two weeks by a railroad strike; BLS price data were too bulky to move by airmail.) It was based on the 1950 population weights. It in-

cluded a correction of the old "rent bias," and the new shopping list included a long list of items newly important in family budgets—among them frozen foods, electric toasters, television sets, cola drinks, group hospitalization, and home permanents.

Under Fire Again

The changes seemed to have made little difference. For purposes of comparison, the index uses the average of 1935-1939 prices as 100; increases since then are shown in percentage points above 100. The January 15 index stood as 181.5. The old one came out at 181.6. Nevertheless, the CIO rushed out with a statement condemning it.

"The new index . . . has gone up less than the old one in the past year," it said. "The new index understates the actual rise in prices because alterations were made in the index that are based on inadequate data. . . . [Because of government controls] families will be spending . . . more money for food and less money for consumer durable goods . . . yet, the new index gives greater weight and importance to consumer durable goods expenditures and less weight and importance to food expenditures. This distorts the measurement of consumer prices."

Clague had taken the precaution to calculate the index on both the old and the new bases because so many escalator contracts were based on the old index. He believed, however, that this would be necessary for only a few months—predicting that a period of reasonably stable food prices would erase the difference. Such has not proved to be the case: The new index still runs less than one percentage point below the old one, and labor still is complaining. This causes Clague no little uneasiness.

What will happen, he asks himself, if the final results of the nation-wide study of buying habits—due to be completed some time in 1952—still produce a figure indicating that prices have advanced less than the old index suggests? Sometimes he finds himself wishing the escalator clause never had been thought of—even though its immense popularity undoubtedly is the best budget insurance BLS could devise.

"If they had asked me," he says somewhat sorrowfully, "I would have told them to lay off the escalator clauses until BLS was ready with a new index. But none of them asked."



Anti-Fascism on Trial: The Professor's Ordeal

CLAIRE STERLING

BEGINNING at nine one morning early this year, the University of Rome was put under martial law. A thousand policemen and carabinieri, encamped in the new "university city" under the personal command of Rome's chief of police, were detailed to guard its gates, block off its walks, and patrol its grounds in jeeps. Incoming students, several hundred of whom were carrying rotten eggs, clubs, knives, and paper bombs, found themselves penned in behind an elbow-to-elbow police cordon until shortly after eleven, when the crowds dispersed and the police withdrew.

These measures made it possible for Dr. Umberto Calosso, a Social Democratic Deputy and an authority on Italian literature, to deliver his fourth lecture on the eighteenth-century poet Alfieri. During his three previous appearances, he had been hooted at, stoned, spattered with paint, and threatened with assassination. Ever since the Middle Ages, respect for learning has endowed university premises with a sort of extraterritoriality. Because of this enduring tradition, the government had hesitated to intervene. But when the rector of the university professed his inability to control the situation, it became a matter of national honor not only to protect Dr.

Calosso's life but to see to it that he completed his course—as he has.

Although Dr. Calosso had become known during the last war when he broadcast from exile in London, in peacetime he had dropped from sight—a parliamentary backbencher and itinerant professor. This year, returning to the University of Rome with the innocent and legitimate purpose of lecturing on a celebrated poet concerning whom he had written a standard work, he found himself the center of a storm.

In a sense, Dr. Calosso is almost an incidental figure in his own riots. What is under attack is not so much a scholar, awkward, nearsighted man in his sixties as a generation of leaders and an era in Italian history. That is why the Calosso case is worth looking into with some care.

Article 16

The riots were touched off by a four-line hand-printed leaflet, signed only with the phrase "Viva L'Italia," but known to have been circulated by the neo-Fascist M.S.I. (Movimento Sociale Italiano). It called on the student body to protest against Calosso as a "traitor hiding behind Article 16."

Article 16 is a clause in the Italian peace treaty which provides that Italy "shall not prosecute or molest Italian nationals, including members of the armed forces, solely on the ground that during the period from June 10, 1940 to the coming into force of the present treaty, they expressed sympathy with, or took action in support of, the cause of the Allied and Associated Powers."

As an Italian who opposed Fascism actively during and before the war, Calosso undoubtedly is covered by this article. If he can be said to be "hiding" behind it, he is in the same position as most of the founders and present

political leaders of the democratic Italian Republic, several hundred thousand Partisans of the Resistance, and everyone else who took any overt action against Mussolini during his last, critical years.

Calosso fought the dictator from abroad. In this, his case is similar to that of Count Carlo Sforza, recent Minister of Foreign Affairs, and other notables too numerous to mention. Calosso was a *fuoruscito*, or political exile, while Mussolini was in power. He first enlisted with the Republican Army in Spain, later lectured in England. When the Second World War broke out, the British Broadcasting Corporation gave him and his fellow exiles their first chance to communicate with their compatriots within Italy. Like many of the others, Calosso broadcast repeatedly to his countrymen, urging them to overthrow Mussolini and join the Allied side.

Does this make him a traitor or a patriot? Americans, accustomed to freedom, might consider Calosso's fight against dictatorship the highest form of patriotism. But it was to Italy that Calosso returned after the war, and it must be remembered that Italians, deprived of freedom for twenty years, had also been systematically conditioned to an aggravated nationalism that did not permit the slightest exercise of moral judgment.

Thanks to an innate and enduring instinct for liberty, however, millions of Italians welcomed Calosso and other *fuorusciti* on their return as heroes who had helped deliver them from a long nightmare. But there were other millions who were troubled and confused by their disillusion with Fascism and who thought that what men like Calosso had done was necessary, perhaps, yet distasteful. And many—not all of them

last-ditch supporters of Mussolini by any means—condemned these men as traitors.

Few spoke out openly in the numbed moment when the whole structure of their country crashed. Now they have had almost ten years to evaluate the past and explore the future. In bringing their feelings to the surface, the Calosso episode suggests that Mussolini may have been right when, at the time of his downfall, he wondered incredulously whether "within half an hour, a whole people [could] change its thoughts and feelings, and the course of its history."

Down with Liberation!

While the outbreak on the campus was an isolated incident, it has given the nation a rare glimpse into its own inner state of mind. The revelation is probably not surprising from a historian's point of view, but it is discouraging to those who expected that democracy could erase the imprint of Fascism in a few short years. From the students to their parents and professors, to the press and political parties, the line-up of opinions is not much different now than it might have been a decade ago toward a man who "with grief," as the liberal weekly *Il Mondo* says, "had to choose between a country undone and a country identified with an ignoble Fascist dictatorship."

In the half, or third, or quarter of the student body that is defending Calosso, there are the young men and women who, had they been old enough, would probably have joined the Resistance. They have conscious political

views, ranging from monarchism (a few) to simple Republicanism, Christian Democracy, Democratic Socialism, and Communism; and they are strongly enough opposed to Fascism to have united, in spite of their differences, in a campus alliance for Calosso which is a small but almost exact replica of the Committee of National Liberation (C.L.N.) which organized the Resistance during the war.

Their attitude is shared officially by the various political groupings which once made up the C.L.N.—Socialists, Communists, Republicans, Christian Democrats—who have been drawn together again on this issue for a brief moment, with a certain nostalgia for the good old fight of anti-Fascist days. Their position has been largely defensive, however—an expression of shock that "the same symptoms of sickness which blew up in 1921-1922 should now reappear," as Prime Minister de Gasperi said in Parliament. But somehow the anti-Fascists seem hesitant and self-conscious, inclined to put their major emphasis on the principle of nonviolence. They seem to suffer what *Il Mondo* calls "an incomprehensible and guilty sense of inferiority toward Calosso's accusers." It is not enough, says *Il Mondo*, to be against violence. "It serves nothing to pretend not to understand that, through these accusers, the very origins of the democratic régime are being put into question, and the whole leadership class which helped to found it is standing accused. We must have the courage to declare in a clear voice that our country considers these men as patriots, not

traitors, because patriotism consists in defending a free country, not a country in chains. Why should our governors, our political men, our press, find it so difficult to say this?"

The Disorientati

On the other side are the people who regard Calosso now, as they did in 1943, as a "filthy Lord Haw Haw." It hardly matters that this whole campaign is being inspired by a small group of disingenuous Fascists in the M.S.I. who are more concerned with power than patriotism. The important thing is that thousands of students are accepting this view, in its ugliest form, with the tacit approval of their professors, their parents, and many officials in high quarters.

Only a few of the student rioters are M.S.I. members. The rest say they are *disorientati*—bewildered, or *nonconvinti*—convinced of nothing. They call themselves "*D'Annunziani*," after the poet Gabriele D'Annunzio, whose last act of poetic imagination was to create the ritualism of Fascism when, after the First World War, he ruled in Fiume for over a year. It was he who taught young *Arditi* to give the Roman salute, to chant the meaningless litany of "*Italia a Noi! Eia! Eia! Alalà!*" and to exalt war as "personal regeneration through heroism."

The choice of this battered idol betrays the helplessness and frustration of the young *D'Annunziani*, who, unable to accept outright the old Fascism because it is so discredited, are losing their way in an empty and picaresque nationalism that is as bad or worse. They do not say that Calosso should be hanged as a traitor because he spoke against Mussolini, but simply because he "spoke against *La Patria* in war." They would give him the same punishment, they say, if he had joined the Duce's last stand fight against *La Patria*, after Italy overthrew Fascism and joined the Allied side. And had *La Patria* been led, at the time, by the Christian Democratic de Gasperi, the Socialist Saragat, or the Communist Togliatti, it would have been the same.

It is clear to anyone who talks to them that they cannot find anything to believe in or hope for—neither a political philosophy nor a moral cause nor a solution for economic problems. "We have always had misery here," one of them says, "and we always will." Not





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knowing how to save Italy or what to save it from, they speak fiercely about "dying for *La Patria*" as a blind sacrificial offering.

This mood has been the most striking and disturbing feature of the Calosso affair. It has been revealed in the *D'Annunzianis*' eagerness to be arrested "as martyrs," in their anonymous telephoned threats, and in the letter that ten of them wrote to Calosso, saying that they were "coming with revolvers," and that "nine of us may die, but the other will get you." It was even more pathetically apparent in their announcement to Calosso, when they had cornered him at one point and offered to throw him out of a third-story window, that they were "future heroes."

The Scavengers Wait

Naturally, the neo-Fascist party regards these youths as excellent material. An M.S.I. newspaper, *Il Nuovo Popolo d'Italia*, cheers them on as "the madmen of human poetry, who shout 'Yes, yes, yes' to the dawn of youth" in Italy. "Long live Will, Character, and Force!" the paper applauds. "Glory to our flag! Down with the nonpoets, the nonaggressors, the unchangeables! Make room for the young breasts of the Revolution!"

Quite as naturally, the Communists see promise in this restlessness and desire for unquestioning self-immolation—a coincidence between Fascist and Communist positions which is not the first of its kind in Italy. While the Communist Youth Federation has fought as energetically as the other groups in the pro-Calosso campus alliance, the party's magazine, *Rinascita*, comments: "Although the M.S.I. is a party of the extreme Right, it is drawing its better forces from among youths who, through the horrors of our civil war, caught sight of the myth of a Social Republic. [When the Germans brought Mussolini back to Italy, he set up the socialist "Republic of Salo"—Salo is a small town on Lake Garda—and in hatred of the Monarchy which had abandoned him, returned to the extreme socialist theories of his youth.] These youths . . . albeit in an incoherent way, express a lively instinct for renewal. This revolutionary and socializing awakening . . . is a factor which should not be overlooked . . ."

A more surprising thing has been the readiness of supposedly more mod-

erate forces to encourage the rioters, on the grounds of patriotism. Although the conservative press has made the incident a subject for innumerable sanctimonious editorials, somehow it has managed to have Calosso come off worse than his young assailants more often than not. The boldest of these tangential attacks was made by Padre Riccardo Lombardi, a right-wing Jesuit priest known as the "Microphone of God," who began a speech over the Vatican Radio with an expression of concern for the "crisis of Italian youth" and ended with an undisguised criticism of Calosso for "speaking against Italy" while he was in England. The sting was long enough to reach the President of the Republic, Luigi Einaudi, who pointedly invited Calosso to dinner on the following day.

The Professors

Considering its responsibilities in a democratic state, the attitude of the university faculty has been the most disturbing of all. Aside from a handful of professors, including the head of the Faculty of Letters who invited him to teach the course, Calosso has gotten no open support from the teaching staff. While the rector, Giuseppe Cardinali, has complained about his difficulties in controlling the situation, he has been singularly diffident about do-



ing anything to control it; and the Academic Senate, composed of twelve professors who direct the university's affairs, has shown forthright sympathy for the rioters.

Many of these professors are not entirely disinterested. Just after the war, Calosso had the misfortune to be chairman of the "de-Fascistization" commission at the University of Rome. Preferring to cancel as much of the past as possible, he cleared most of the many men on his list and restored them to their teaching posts. Among these, for example, was Professor Nicola Pende, a notorious philosophic apologist for Mussolini's anti-Semitic decrees. (When Pende returned at the time, incidentally, the students rioted against him, just as they are now turning against his judge.) Another was Professor Vittorio Puntoni, now head of the Faculty of Medicine and spokesman for the Academic Senate. Still another was the rector himself, who had remained in his position even during the German occupation of Rome.

As Calosso points out, nothing is as hateful as a benefactor. The victims of his mercy are probably delighted to see him being pushed around. At the height of the violence, for instance, the Academic Senate refused to take any measures beyond urging the student body to be more orderly, saying that it considered the issue a "moral one," and therefore not a disciplinary matter. In announcing this, Professor Puntoni added: "To tell the truth, Calosso's broadcasts over Radio London gave me a feeling of pure disgust."

In a later interview, Professor Cardinali declared that he had urged disciplinary action against the riot ringleaders at the Academic Senate meeting, but had been defeated. "Since there is no law requiring me to resign under such circumstances, I did not,"

he explained. In spite of his protestations, Professor Cardinali visited Calosso privately at home and urged him to withdraw. It was clear from a subsequent statement to the press that he too felt the rioters were more or less justified. "It is not as if the suppression of Fascist activity were involved here," he said. "It is permissible to exalt one's native country."

The Mussolini Heritage

The personal rancor of Calosso's colleagues obviously didn't start the riots, even if it may have helped them along. But if anyone cares to probe the minds of the rioters, an examination of their professors might be a good way to start. At worst, it might reveal that the faculty is dominated by intellectuals who once admired Mussolini's way of thinking and still do, and who, rather than condemn dictatorship and super-nationalism as the disasters they proved to be for Italy, prefer to discuss Italian history as if it had reached the point of ultimate perfection in the Fascist régime. At best, such an investigation would almost certainly demonstrate that the university is not making any noteworthy attempt to offer democracy as a powerful, desirable, and possibly useful alternative.

Those students who are on Calosso's side evidently found their way there mostly by themselves because of their instinctive sense of democracy and fair play. They have not received much help from their elders. If other students are on the wrong side, then who must bear the greatest blame—these rootless youngsters or the people who should know better, their teachers, their parents, and all the leftovers of the Fascist régime who now have regained their positions of power in the press, in business, and in the bureaucracy?



Colonel McCormick Reports from the Ritz

BERNARD S. REDMONT

PARIS
I HAD the pleasure of an intimate chat here a few weeks ago with Colonel Robert Rutherford McCormick, editor and publisher of the *Chicago Tribune*. The Colonel was bivouacked in the Ritz Hotel on the Place Vendôme, pausing briefly for reflection toward the close of another of his annual flying tours of the globe. Colonel McCormick's magic carpet is his private plane, a converted Second World War B-17 named *The Chicago Tribune*. It carries a crew of five, a secretary, a maid for Mrs. McCormick, and a Japanese valet. It is fitted with two beds.

Wondering whether exposure to the winds of world travel had to any degree eroded or altered his well-known views on international affairs, I dropped in at the Ritz and found the towering seventy-one-year-old sage in high spirits and standing firm as ever.

The Colonel had just discovered a new area of danger. Brushing aside the Iron Curtain and the Far East, he issued this caveat: "Africa—there's where the next explosion is coming from!"

"The black man is fed up on colonialism," Colonel McCormick declared. "Nationalism everywhere. The English have had to give the Gold Coast freedom. Look at the new Prime Minister of the Gold Coast—he was in jail when he was elected. It's all been a mistake, that British policy.

"The only places worth plundering are India and South Africa. And the English lost both of them. There was nothing else to steal. England's in trouble now."

However, going on hastily to profess his friendship for Britain, he recalled that he had known Winston Churchill since 1915: "He stayed at my house and I've stayed at his." An aide explained later that the Colonel had never been anti-British; he had been misunderstood—he was just pro-American.

The Colonel added: "Mr. Churchill is the greatest living Englishman." Then, half regretfully, "He had less than half of the popular vote, though, didn't he?"

"You know," he mused, "until General MacArthur came to the front, I used to think Mr. Churchill was the greatest orator in the world."

The Winner: Taft

Africa and colonialism were not the sole problems to catch the Colonel's roving eye. During his trip, he kept watch on America from across the seas, and he never once missed his regular weekly broadcast deadline from the *Tribune* radio station.

The Colonel flatly predicted that Senator Taft "will win the U.S. Presidential race." His newspaper has been supporting Taft—though he added, hedging slightly, "I don't know what Taft has been saying in the last few weeks." He was positive about Eisenhower, however: "If Ike gets the nomination, he'll lose."

This is the McCormick reasoning, as explained to me from a settee in a glass-walled private anteroom at the Ritz:

"As President, Franklin D. Roosevelt was personally, politically, and internationally a crook. And Harry Truman



isn't much better. How can Ike be any better if they appointed him to his most important jobs? As a general, he'll do his job well. I understand he's been very successful at SHAPE. As a politician, that's another matter. He can't win any more than Willkie or Dewey could win.

"Personally," said the Colonel, "I haven't a thing against Eisenhower."

General MacArthur? "A great man. But he hasn't a chance. I knew MacArthur when we were both colonels. A great American. He has every quality except youth. He's too old to run for President.

"If I could nominate, I would nominate MacArthur, and Taft for Vice-President. Then if MacArthur died, Taft would be President." The Colonel chuckled. "But I'm not a dictator."

Colonel McCormick discussed the Communist menace in the U.S. only briefly: "Senator McCarthy has done wonderful work."

"You know," he added, "our diplomats abroad, our consular people, that Point Four, what do you call it, Mutual Security, they've been very nice to me, and they seem to be doing their job all right..." Then he paused and frowned.

"The Communists? All the Communists, the homosexuals, and the traitors are in the State Department." And after a pause: "No doubt about it."

Turning to Europe, the Colonel said he would not go into detail on his impressions, since he had concentrated on Africa and had spent only a few days in Italy and France.

He did feel convinced, however, that France and Britain are close to bankruptcy. Italy, he confided, "is pretty solid politically. But militarily, well, I don't know . . ." The Colonel said I could put him down as being against pouring any more money into these countries.

Napoleon's Mistake: Oil

"I have no way of judging what the Russians are going to do," he said. "But I know what our strategy is going to be. We'll try to hold the Elbe and the Rhine, and attack the Black Sea. The heart of Russia isn't Moscow. It's the Black Sea. Napoleon and Hitler made the same mistake in trying to go to Moscow. They should have attacked the Black Sea. If we attack the Black Sea, we can cut off the oil of Baku. And the Russians have no other oil. That's the only strategy."

It was one of those unfortunate weeks when another French Cabinet had just fallen and a new one had been installed. Colonel McCormick decided not to see any of the French Government leaders. "Don't know any of them any more." Instead, he spent most of his time seeing old friends, shopping, visiting Versailles, Maxim's, the Tour d'Argent, and other conventional tourist haunts.

Over a sherry, the Colonel reminisced about the last time we had met in Buenos Aires four years ago: "That was before the Peróns went bad, you know. Very charming people, those two. Great deal of charm. They had the charm of the Roosevelts. I prefer the Peróns to the Roosevelts. Both were crooks. But Mrs. Perón was prettier than Mrs. Roosevelt."

The Colonel went on a shopping spree while in Paris. He bought shoes, shirts, and especially ties. "The Colonel is mad about ties. He has a thousand of 'em," an aide confided. For the interview, he was wearing a daring orange-and-gray creation with a lightning-bolt motif.

Since the Colonel had been unable to sandwich in a trip to Britain, a tailor from Poole's came over to Paris and took his order for six new suits. The tailor found his sartorial tastes impeccable. However, our little hour's conversation at the Ritz will always be memorable, if for nothing else, for the fact that throughout it the Colonel kept his gray Stetson firmly on his head.

Wilmot's War, Or, 'Churchill Was Right'

ARTHUR SCHLESINGER, JR.

THE STRUGGLE FOR EUROPE, by Chester Wilmot. Harper's. \$5.00.

THIS is at least four books. One is a brilliant and vivid description of the European fighting by an Australian who covered it for the BBC. Another is a detailed reconstruction of the political and strategic story of the European war. Another is a passionate defense of Montgomery as against Bradley and Patton. Another is an even more passionate defense of Churchill as against Roosevelt.

Given the temperature of the times, one must reluctantly conclude that it is not the first two of Mr. Wilmot's books that won *The Struggle for Europe* its extraordinary reception in England ("impossible to praise too highly. It becomes at once a classic of contemporary history"—*Daily Telegraph*; "an almost classic example of how a war can be not merely described but explained"—*The Economist*). It seems far more likely that it is Mr. Wilmot's central thesis—that wherever Britain and the United States differed on military or political strategy, Britain was right—which is causing the excitement across the Atlantic. In particular, the British have received

with evident gratification Mr. Wilmot's conclusion that American military and political mistakes were basically responsible for the postwar successes of the Soviet Union and thus for the mess the world is in.

So far as the strictly military issues are concerned, Mr. Wilmot makes a vigorous brief for Montgomery which I have neither space nor competence to deal with here. It can be said that his argument is clear and his temper good—most of the time, at least. His portrait of Eisenhower is favorable and convincing; and while he certainly does something less than justice to Bradley, it may be well to have the Montgomery case stated in this country with lucidity and force.

The Wilmot Thesis

But the manner in which the West gained military victory is the lesser of Mr. Wilmot's concerns. His main purpose, as he puts it, is to show "how and why the Western Allies, while gaining military victory, suffered political defeat; . . . not only how Hitler was overthrown but also why Stalin emerged victorious . . ." The essential reason for the failure of the West, he concludes, lay in the fact that Roosevelt rather than Churchill dominated the strategy and diplomacy of the Allies.

Churchill, Mr. Wilmot contends, was suspicious of Soviet intentions from the start: He sought at every turn to resist Soviet political pressures; he tried to check Soviet expansion in eastern Europe; he advocated military operations in the Balkans in order to forestall the spread of Soviet influence. If only Churchill's policy had been followed, we are given to understand, the Soviet Union would not be threatening the world today.

But alas, says Mr. Wilmot, Roose-





velt made most of the crucial decisions; and Roosevelt had a guileless trust in Stalin: He constantly advocated damaging political and territorial concessions to the Soviet Union in the naïve hope that he could thereby win Stalin's confidence; his opposition to Balkan operations and his pressure for a second front in France met the exact requirements of Soviet expansion; his insistence on unconditional surrender delivered eastern Europe to Communism; his sentimental dislike for British imperialism further played into Stalin's hands. As a direct consequence of Roosevelt's policies, Soviet power is now pressing hard on the West.

This brief outline discloses no particular novelties; Mr. Wilmot's central argument has long been accepted in certain quarters in the United States. *The Struggle for Europe* invests this argument, however, with a scholarly precision, a massive detail, a British coolness and detachment which may impress some who are unmoved by the nonsense of a John T. Flynn or a William Henry Chamberlin. For this reason it may be time to subject this thesis to the awkward test of facts. Let us examine its main points.

Churchill and Stalin

1. Winston Churchill, Mr. Wilmot repeatedly asserts, was deeply concerned with the necessity of checking and restraining Stalin. *The Struggle for Europe* gives several different dates

for the emergence of this concern; thus at one point Mr. Wilmot puts it as "during 1943" (page 130), at another as "after Teheran" (page 636). But he gives the consistent impression that Churchill knew the score on the U.S.S.R. from the word "go."

It is interesting to note that Wilmot makes claims for Churchill which Churchill, a better historian, does not make for himself. Nor does Mr. Wilmot produce any concrete evidence to support these repeated assertions. The absence of evidence clearly explains his confusion over dates. But it does not explain his disregard of the mass of evidence on the other side—evidence which shows that Churchill's view of the Soviet Union was far more complicated than *The Struggle for Europe* would suggest. Take, for example, Churchill's analysis of the U.S.S.R. in the House of Commons on May 24, 1944: "Profound changes have taken place in Soviet Russia. The Trotskyite form of communism has been completely wiped out. The victories of the Russian armies have been attended by a great rise in strength of the Russian state and a remarkable broadening of its views. The religious side of Russian life has had a wonderful rebirth." Even after Yalta Churchill said: "The impression that I brought from the Crimea . . . is that Marshal Stalin and the other Soviet leaders wish to live in honorable friendship and democracy with the Western democracies. I also feel that no Government stands more to its obligations than the Russian Soviet Government."

The fact is that Winston Churchill, far from having a consistent view of Soviet Russia, could not decide during the war—and perhaps still cannot decide today—whether Stalin is a great, if autocratic, national patriotic leader or a dangerous revolutionary.

Policy on Yugoslavia

2. Mr. Wilmot argues that Churchill, with his acute awareness of the Soviet threat, took the initiative in resisting Soviet demands, while Roosevelt tumbled over himself in eagerness to do whatever he thought Stalin wanted. The facts in the cases are so widely different as to convict Mr. Wilmot of negligence or distortion of the most serious order. I should add that my purpose in bringing out the facts is not to turn the Wilmot indictment

against Churchill but to indicate how his indictment falsifies a whole series of complex historical issues.

Take first the case of Yugoslavia. Churchill's main agent in Yugoslavia was a Tory M.P. named Fitzroy Maclean, who had spent a long time at the British Embassy in Moscow and who regarded the Soviet Union as a potential threat to world peace. In a confidential talk, Maclean raised with Churchill the probability that the "ultimate aim" of the Partisans "would undoubtedly be to establish in Yugoslavia a Communist régime closely linked to Moscow. . . . So long [Churchill replied] as the whole of Western civilization was threatened by the Nazi menace, we could not afford to let our attention be diverted from the immediate issue by considerations of long-term policy. . . ." When Maclean, after several months in Yugoslavia, pointed out the implications of preferring Tito to Mikhailovitch, Churchill asked him, "Do you intend to make Yugoslavia your home after the war?" Maclean said "No." . . . "Neither do I," Churchill said. "And, that being so, the less you and I worry about the form of government they set up the better. What interests us is which of them is doing most harm to the Germans." As late as January 18, 1945, Churchill said publicly what he had confided to Maclean: "We have no special interest in the political régime which prevails in Yugoslavia. Few people in Britain, I imagine, are going to be more cheerful or more downcast because of the future constitution of Yugoslavia."

Believing that military expediency and not long-term political considerations should be decisive, Churchill had no compunctions about throwing over Mikhailovitch in favor of Tito by the end of 1943, while the United States for many months after maintained its mission with Mikhailovitch. All this is clearly in the record and clearly relevant to Mr. Wilmot's central thesis. But Mr. Wilmot, incredibly enough, never mentions the divergence between British and U.S. policy in Yugoslavia.

Eastern Europe

Take next the cases of Estonia, Latvia, and Lithuania. Churchill brought great pressure on Roosevelt to accede to Stalin's demand for a recognition of Soviet claims to these three states. Roosevelt refused. All this is clearly

on the record and clearly relevant to Mr. Wilmot's central thesis. But Mr. Wilmot never mentions Churchill's support of Stalin's claims to Estonia or Latvia or Lithuania.

Take, above all, the case of Poland. Churchill vigorously backed Soviet territorial claims in Poland, demanded that the Polish government in London accept these claims, and brought intense pressure on Mikolajczyk to join the coalition government in Moscow. Churchill backed the Curzon Line unconditionally and was the first of the Big Three to mention the Oder-Neisse line, eventually pledging support for that line even if the United States would not go along. Jan Ciechanowski, the Polish ambassador to the United States, describes Churchill as "committed to press the Polish Government to yield to all Soviet demands." Roosevelt, on the other hand, far from outdistancing Churchill in "appeasement," refused at every step to support Churchill on Poland—up to the point of Yalta, when he finally assented to the coalition arrangement Churchill had advocated the previous October. But you would gather very little of this from Mr. Wilmot's peculiar presentation of the Polish problem.

Take the case of Greece. Mr. Wilmot makes a great deal of Churchill's swift reaction to the activity of the Communist Partisans in December, 1944. But he entirely omits the fact that Churchill conducted these operations under the singular impression that he was fighting what he called "naked, triumphant Trotskyism"—an impression strengthened by the air of aloofness with which the Soviet Union treated the whole affair.

Take the whole problem of eastern Europe. Mr. Wilmot has a good deal of sophisticated fun over the idealistic opposition of Roosevelt and Cordell Hull to spheres of influence. Yet he does not seem to recognize that Churchill's proposal of October, 1944, to offer the Soviet Union control of Bulgaria, Romania, and Hungary in exchange for British control in Greece and a fifty-fifty split in Yugoslavia, was in effect an abandonment of most of eastern Europe to the Soviet Union. The Declaration on Liberated Europe at Yalta reversed the British retreat and restored the western interest in all eastern Europe—which the Churchill sphere-of-influence approach would

have destroyed. Needless to say, Mr. Wilmot's treatment of the subject entirely obscures the significance of the question.

Indeed, for all Mr. Wilmot's assertions, Churchill made *no* concrete proposals of any kind for Anglo-American action to restrain Russia until his cable to Truman of April 17, 1945, when he urged that the western armies stay put until certain points at issue with the U.S.S.R. were settled. But this took place *after* Roosevelt's death. And it is conceivable, in view of our mounting knowledge of Roosevelt's views after Yalta (of which the Vandenberg diary supplies more evidence), that Roosevelt's position would have changed in this period as fast as Churchill's evidently did.

The Balkan Myth

3. Mr. Wilmot argues that Churchill, because of his desire to check Soviet expansion, held back on a direct frontal



attack in France, favoring instead operations in the Mediterranean and the Balkans. Again the facts in the case simply do not justify his argument.

There are three separate problems here: Why did Churchill favor North Africa over France in 1942 and Italy over France in 1943? Did Churchill ever favor an invasion of the Balkans? Was the second front in France a mistake?

The answer to the first question is that Churchill favored North Africa in 1942 and Italy in 1943 for strictly military reasons—reasons which are fully evident to anyone who has pondered Churchill's strategy in the First War or who has read *The World Crisis*. Churchill never forgot the senseless slaughter which, as he put it, consumed the flower of the national manhood of Britain over four tragic years on the Western Front in the First War; he always believed that the Gallipoli strategy—of attacking the enemy at his weakest point—was right. Convinced that British manpower could not survive another agony of trench warfare, he did his best in the Second War to avoid the frontal attack and to concentrate on the enemy's "soft underbelly."

So far as the historical evidence is concerned, this is the single motive that animated the British preference for a Mediterranean strategy. Churchill himself has never claimed any other. Gordon Harrison, the historian of the second front, has written, "I have carefully searched the written record as well as the oral testimony of a great many participants in and witnesses to the strategy-making and have found nothing to indicate that British strategy was ever aimed at frustrating future Soviet aggression in eastern Europe." Mr. Wilmot, needless to say, does not produce a shred of evidence to support his contention that Churchill was moved by political considerations. His argument is an exercise in myth, not in history.

Even more in the realm of myth is the whole theory of a British proposal for an Allied invasion of the Balkans. Mr. Wilmot does concede that Churchill never believed that the major offensive against Germany should be launched through southern Europe; but having conceded this, he goes on to claim that in 1943 Churchill favored "limited diversionary operations" in the Balkans to achieve "the restoration of democratic influence in Central and South-Eastern Europe." Not a fragment of evidence is presented to support the confident assertion that Churchill ever had these political motives at that time or that he ever contemplated a Balkan campaign to achieve these political objectives.

Churchill's own account is quite different. In a conference with Generals

Marshall and Eisenhower in May, 1943, Churchill repeatedly said that he did not "contemplate or desire the provision of any organized armed force for the Balkan theatre, either this year or in any period with which we are now concerned." In October, 1943, he wrote Roosevelt: "I have never wished to send an army into the Balkans, but only by agents, supplies, and Commandos to stimulate the intense guerrilla prevailing there"—or, in other words, to enable Communist-led guerrillas to expel the Nazis and presumably establish themselves in power. Where Churchill and Wilmot differ as to what Churchill was up to, it is perhaps permissible for the bystander to prefer Churchill's version. The only substance in the Balkan invasion myth is that in 1944, *after* the opening of the second front, the British proposed, as an alternative not to Normandy but to the landings in southern France, a campaign to break out of the Po Valley through the Ljubljana Gap into Hungary—a campaign that would have left most of the Balkans untouched.

The Road Through France

Was the second front in France a mistake? According to Mr. Wilmot's apparently straight-faced formulation, Stalin "gained" his great "objective" when he "succeeded in insisting that the main offensive effort of the Western Allies should be directed through France."

If this sentence means anything, it means that Stalin's persuasion overrode the better judgment of the Allied leaders, who wanted to direct the main offensive effort somewhere else than through France. The fact is that no one—not even Churchill—ever considered that the main offensive effort should go anywhere else; Churchill's only concern was not to launch the offensive under conditions that would risk the mass slaughter of Allied troops. With the nightmare of Passchendaele and Vimy Ridge fixed forever in his mind, Churchill entirely underestimated the possibilities of breakaway war once the Allied divisions were loose in the plains of western Europe.

As for the American generals, they saw no sense in expending blood and effort in knocking Italy out of the war. The prior elimination of Italy would

not have impaired Germany's capacity of resistance, while the prior elimination of Germany would have left Italy to die on the vine. Churchill's Mediterranean strategy could do no more, as Eisenhower saw it, "than peck at the outer perimeter of the German defense"; it meant engaging the foe in every area except the area which would yield a decision. And American neo-isolationists should note that Roosevelt, Marshall, and Eisenhower were not the only advocates of the second front. General MacArthur denounced Churchill's North African diversion as "absolutely useless." General Wedemeyer, who did his best in 1943 to stop the Mediterranean sideshow and throw everything into a cross-Channel attack, said recently: "It is my judgment today that if we had done that . . . the history of Europe would have been changed, and that it would have been American and British forces that overran Europe instead of Russian." From the viewpoint of checkmating the Russians in Europe—as well as of destroying the Germans—the second front

was certainly as expeditious a strategy as any. Mr. Wilmot's alternative might well have had the Allied armies bogged down in Bulgaria and Hungary while the Red Army occupied the Ruhr and moved on toward the Pas de Calais.

Unconditional Surrender

4. Mr. Wilmot argues that Roosevelt's insistence on unconditional surrender was a fatal mistake. Between unconditional surrender and the Morgenthau Plan, he says, Goebbels could convince the German people that their only hope of saving the Fatherland and themselves lay in "unconditional resistance." Moreover, unconditional surrender made it "inevitable" that the U.S.S.R. would become the dominant power in eastern Europe.

The unconditional-surrender problem is by no means a simple one, but two points can be easily disentangled here: Did a hard policy toward Germany—unconditional surrender and the Morgenthau Plan—prolong the war? Did unconditional surrender deliver eastern Europe to Stalin?

The attack on unconditional surrender is very pat and fashionable today. But everyone seems to forget that the doctrine's primary function was to prevent Hitler from breaking up the Allied coalition by playing off one side against the other. As for its alleged effect on the Axis, no one, to my knowledge, has demonstrated that it deterred anybody from surrendering who would have surrendered otherwise. Even Mr. Wilmot concedes that it had no effect on the Italian surrender; and, while he blandly says that because of the doctrine Goebbels could convince the Germans they had no alternative but "unconditional resistance," it never seems to occur to him that the Germans did not, in fact, carry on "unconditional resistance," that they surrendered all the time, that conspiratorial action was taken even under totalitarian conditions to overthrow the Hitler régime, and that up to the last moment Goering and Himmler were sure they could work out deals with the Allies.

The more basic argument against unconditional surrender is that, by leaving the Allies no central German administration to deal with, it led directly to the present division of Germany. This argument has a certain force. Yet the division of Germany was hardly the inevitable consequence





of unconditional surrender. Unconditional surrender did not, for example, eliminate central administrations in Italy, Austria, or Japan. The European Advisory Commission, which drew up the surrender plans (and which Mr. Wilmot never mentions in his seven hundred pages), had no directive on the question of a central German administration. The whole problem was hopelessly confused at the time, of course, by the passing fantasy of German dismemberment. But the allies could have filled the blanks of unconditional surrender with any kind of Germany they wanted.

The draft agreement on zones of occupation, moreover, originated with the *British* representatives on the EAC. As for the Morgenthau Plan, Mr. Wilmot characteristically omits the fact that Churchill actually dictated its text, including the crucial sentence about converting Germany into "a country primarily agricultural and pastoral in its character." Churchill soon recovered from this madness; but so too did Roosevelt.

Mr. Wilmot's statement that the unconditional-surrender doctrine gave eastern Europe to the Communists is of interest only as implying that he saw an alternative policy. It was not, of course, unconditional surrender that gave the U.S.S.R. a free hand in eastern Europe. It was the destruction of the Nazi state. Wilmot's alternative, if it were to keep the Soviet Union out of eastern Europe, would have meant the retention of a German state and a German Army powerful enough to offset the military strength of Russia. Does Mr. Wilmot consider such a policy to have been feasible in 1944 or 1945? If feasible, desirable? There are unplumbed political

depths here which perhaps will hardly bear a more thorough and unrelenting examination. One might well consider in addition the question why, if unconditional surrender was a policy that benefited the Russians, they spent so much time trying to get Roosevelt and Churchill to abandon it.

Imperialism

5. Mr. Wilmot argues that Roosevelt's anti-colonialism represented one of the fatal weaknesses of the western coalition. He treats with scorn Hull's statement of the view that "unless dependent peoples were assisted toward ultimate self-government and were given it . . . they would provide kernels of conflict." He suggests that Churchill's position of unrepentant imperialism suited far better the needs of the free nations than Roosevelt's sentimental idealism.

Of all the preposterous passages in this preposterous book, this is perhaps the most extraordinary. Within the past year, Iran and Egypt have exploded as a consequence of unrepentant imperialism; Hull's mild remark about "kernels of conflict" has been proved a fantastic understatement. Fortunately a British Government—not Churchill's—was found that followed Roosevelt's recommendations in India, so India today is precariously on our side; one shudders to think where India would be if Churchill's policy had triumphed. Our position in Indo-China would certainly be much stronger if Roosevelt could have had his way. On his return from Yalta, Roosevelt even outlined programs for economic and technical development of the kind we now call Point Four. If events have established Roosevelt's prescience in any field, it is, above all, in the field of the obsolescence of empire.

This review can only single out the main points in the Wilmot book. I do not have space here to deal with his misunderstanding of the Yalta Agreements; evidently he wrote before W. Averell Harriman's memorandum on Yalta was published. Nor can I enlarge upon his cool disdain for the whole Pacific war; the notion that landing craft might plausibly be employed at Leyte and Tarawa rather than in the Balkans is one that afflicts Mr. Wilmot with deep boredom. Nor can I do more than touch on his curious conviction that postwar history would have

been entirely transformed if the western armies, rather than the Russian, had liberated Berlin, Prague, and Vienna. He forgets that the division of Germany was controlled by lines drawn in 1944 before D-Day; and, needless to say, he does not mention the fact that the basic East-West line was of British origin (or that both Americans and British believed that it would recover for the West territories which would probably be in the hands of the Red Army). In any case, the idea that the Soviet Union would be causing no trouble today if only the Iron Curtain were a hundred miles to the east is too absurd to be worth examination.

But I cannot pass over one astonishing sentence toward the end—a sentence that effectively destroys the book's main argument. After expounding all along the necessity for preserving Germany and turning against Russia, Mr. Wilmot suddenly recalls the political situation in 1945 and writes, "Even if they had been inclined to do so, the British and American Governments could not have won public support for any policy which was designed to keep Russia in check or which provided for anything less than the extirpation of German militarism." If this is so, what in the world was Mr. Wilmot writing his book about?

The Struggle for Europe is strangely reminiscent of a forgotten American book about the European war—Ralph Ingersoll's *Top Secret*. Like *Top Secret*, *The Struggle for Europe* combines powerful and graphic personal reporting with fanciful and tendentious political analysis. Both books deal with the myth of a proposed Allied invasion of the Balkans; both argue passionately about the relative merits of Montgomery and Bradley; both blame the whole postwar crisis on the wartime misbehavior of their ally. Wilmot and Ingersoll are on opposite sides on all the



issues; but it is two sides of the same coin. The only difference is that no one, as I recall it, took *Top Secret* seriously as history in this country, while *The Struggle for Europe* is being taken with the utmost seriousness in Great Britain.

It is just as well, I suppose, that someone answer *Top Secret* from a British viewpoint, though the answer has been a long time coming and by now most

people will have forgotten what the question was. What is disturbing is that a book like *The Struggle for Europe*, so ruthless in its omissions, so flagrant in its distortions, should gain the reception it has had across the Atlantic. Neither Britain nor the United States was infallible in its wartime policies. Both Churchill and Roosevelt made mistakes; and it is the job of historians

to record their errors as well as their achievements. But there is no excuse for this violent wrenching of the facts of history in order (so far as one can tell) to score off against an ally and thus to shore up a crumbling sense of national self-confidence. *The Struggle for Europe* and its British reception are distressing symptoms of Britain's psychological extremity.

Thirteen Acres of Toys

EVEN though the number of consumers in what experts call "that important toy-using age under five" has increased by sixty-two per cent since 1940, the toy business, I gather from a recent report in the *Wall Street Journal*, is not good. In an effort to find out why, I set off the other day to check on the products being displayed by some 1,200 makers of toys at the forty-ninth annual American Toy Fair, which occupied thirteen acres of space in the Hotel McAlpin in New York.

MY STUDY began on the fourth floor, where the corridors were aswarm with out-of-town buyers and each room held a different line of playthings. At every door stood a salesman with a bright smile, trying to lure in the buyers. "I can show you a ukelele that sells for \$4.95 complete with Arthur Godfrey's life story," a short man advised me, but I chose instead to enter a larger suite of rooms where a miniature plastic man carrying a bulbous pistol and wearing a transparent helmet was pressed into my hand. "It sells for fifteen cents," the miniature man's promoter told me. "Keep your eye on this space stuff. It's going to replace Western merchandise. You don't believe me? Take a look at television." I glanced at his other goods; it was all "space stuff" except for a bottle of whiskey, half a dozen setups, and a good-sized American flag. I shook my head and started toward the door. "For fifteen cents you can't sell it?" the promoter demanded incredulously.

I permitted myself to be stopped at the next door by a woman holding in her arms what I took to be a live skunk. "This is our little Petunia," she said in an affectionate tone. The woman passed Petunia to me and explained that all I had to do was compress the animal's spring. I did so, and Petunia wriggled up my shoulder with disturbing verisimilitude. A salesman hurried past, chasing a toy armored car that had escaped from his room.

"Listen, I bought them fire-chief hats from you five, six years ago and I still got them," a querulous voice whined. "The Rebel caps, yes. The Civil War angle I can sell. But fire chiefs are out."

A man sitting alone amid pinwheels and Christmas-tree decorations quickly removed a look of utter boredom from his face when I glanced into his room, contorting his features into a welcoming smile. In another suite a tall young Southerner with a black shoestring tie

was demonstrating a set of eight musical blocks pitched to an octave. "Now, I'll tell you what I'm going to do," he announced. "I'm going to play a song on these here blocks just as easy as you please." Picking up the blocks and ringing them one after another, he began to play "Jingle Bells," but just after "Oh, what fun it is to ride" he dropped two of the blocks onto the floor. "Damn it," he said bitterly. A man with a cigar spat into a wastebasket. "So all right, all right," he said wearily. "You could send me a gross."

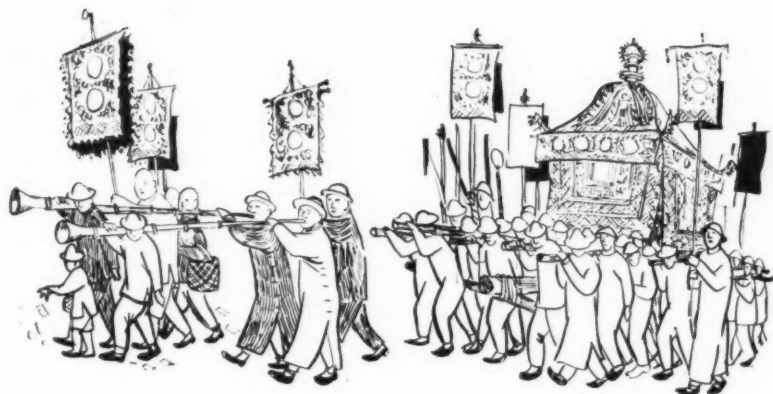
A fetchingly plump model dressed in a short-skirted Hopalong Cassidy costume was doing a little dance step in one brightly lighted display room, and a man in a double-breasted suit who seemed to be in charge of her asked me in a low, almost suggestive voice, "You interested in dolls?"

MOST of the manufacturers seemed to feel that it was necessary to compensate for a native lack of imagination in American children. Simplicity had to be avoided, or at least ingeniously disguised.

Near the elevators a well-corseted middle-aged woman carrying a fur stole was pursing her lips in exasperation at a member of "that important toy-using age group under five." The little girl, who had just let go a red balloon that was floating toward the ceiling, pressed her fists into her eye sockets and shrieked, "I want to go home! I want to go home!"

—ROBERT K. BINGHAM





IT WAS A BRIGHT EARLY DECEMBER DAY and Lieutenant Hudner was flying a Korean combat mission alongside another plane piloted by Ensign Jesse Brown. A burst of flak



caught the ensign's plane and he went spinning down, aflame. Lieutenant Hudner then deliberately crash landed near his flame-trapped shipmate. He radioed for help, after

which he fought to keep the fire away from the fatally injured ensign until a rescue helicopter arrived. Today Lieutenant Hudner says:

"Maybe if America had been strong enough to discourage aggression two years ago, my friend, Jesse Brown, might be alive right now. So might thousands more of our Korea dead.

"For it's only too sadly true—today, in our world, weakness invites attack. And *peace is only for the strong.*

"Our present armed forces *are* strong—and growing stronger. But

don't turn back the clock! Do your part toward *keeping* America's guard up by buying more . . . and more . . . and more United States Defense Bonds *now!* Back us up. And *together* we'll build the strong peace that all Americans desire!"

★ ★ ★

Remember that when you're buying bonds for defense, you're also building a personal reserve of savings. Remember, too, that if you don't save *regularly*, you generally don't save at all. So sign up today in the Payroll Savings Plan or the Bond-A-Month Plan. Buy United States Defense Bonds now!

**Peace is for the strong...
Buy U S Defense Bonds now!**

Lt.(jg) Thomas Hudner, Jr. U.S.N.

Medal of Honor



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